UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2026

OR

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to

Commission File Number: 001-34452

Apollo Commercial Real Estate Finance, Inc.

(Exact name of registrant as specified in its charter)

Maryland	**27-0467113**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

Apollo Commercial Real Estate Finance, Inc.
c/o Apollo Global Management, Inc.
9 West 57th Street, 42nd Floor,
New York, New York 10019
(Address of principal executive offices) (Zip Code)

(212) 515–3200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value	ARI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 7, 2026, there were 128,212,093 shares, $0.01 par value per share, of the registrant's common stock issued and outstanding.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Apollo Commercial Real Estate Finance, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets (Unaudited)
(in thousands—except share data)

	June 30, 2026	December 31, 2025
Assets:		
Cash and cash equivalents	$ 1,239,480	$ 139,825
Commercial mortgage loans, net[1][2]	—	8,712,018
Subordinate loans, net[2]	—	62,198
Real estate owned, held for investment, net (net of $43,048 and $34,438 accumulated depreciation in 2026 and 2025, respectively)	856,970	842,947
Other assets	39,854	143,979
Total Assets	$ 2,136,304	$ 9,900,967
Liabilities and Stockholders' Equity		
Liabilities:		
Secured debt arrangements, net	$ —	$ 6,268,550
Senior secured term loans, net	—	727,533
Senior secured notes, net	—	497,226
Debt related to real estate owned, held for investment, net	371,428	424,703
Accounts payable, accrued expenses and other liabilities[3]	506,577	91,462
Derivative liabilities, net	—	26,791
Payable to related party	3,439	8,612
Total Liabilities	$ 881,444	$ 8,044,877
Commitments and Contingencies (see Note 16)		
Stockholders' Equity:		
Preferred stock, $0.01 par value, 50,000,000 shares authorized, Series B-1, 6,770,393 shares issued and outstanding ($169,260 liquidation preference) in 2026 and 2025 (see Note 15)	68	68
Common stock, $0.01 par value, 450,000,000 shares authorized, 128,212,093 and 138,943,831 shares issued and outstanding in 2026 and 2025, respectively	1,282	1,389
Additional paid-in-capital	2,581,422	2,704,316
Accumulated deficit	(1,327,912)	(849,683)
Total Stockholders' Equity	1,254,860	1,856,090
Total Liabilities and Stockholders' Equity	$ 2,136,304	$ 9,900,967

(1) Includes carrying value of $8,424,605 pledged as collateral under secured debt arrangements in 2025.
(2) Net of $376,754 CECL Allowance comprised $38,754 General CECL Allowance and $338,000 Specific CECL Allowance in 2025.
(3) Includes $5,759 of General CECL Allowance related to unfunded commitments on commercial mortgage loans and subordinate loans, net in 2025.

See notes to unaudited condensed consolidated financial statements.

Apollo Commercial Real Estate Finance, Inc. and Subsidiaries

Condensed Consolidated Statement of Operations (Unaudited)
(in thousands—except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net interest income:				
Interest income from commercial mortgage loans	$ 41,726	$ 166,691	$ 191,715	$ 310,676
Interest income from subordinate loans and other lending assets	—	557	—	1,114
Interest expense	(33,585)	(124,178)	(147,507)	(229,235)
Net interest income	$ 8,141	$ 43,070	$ 44,208	$ 82,555
Revenue from real estate owned operations	36,242	27,832	58,809	54,163
Total net revenue	$ 44,383	$ 70,902	$ 103,017	$ 136,718
Operating expenses:				
General and administrative expenses (includes equity-based compensation of $3,047 and $6,094 in 2026 and $3,400 and $6,830 in 2025, respectively)	$ (5,810)	$ (6,561)	$ (11,762)	$ (13,213)
Management fees to related party	(3,556)	(8,356)	(11,674)	(16,920)
Operating expenses related to real estate owned	(23,081)	(21,113)	(41,299)	(41,880)
Depreciation and amortization on real estate owned	(4,631)	(2,531)	(8,612)	(4,987)
Total operating expenses	$ (37,078)	$ (38,561)	$ (73,347)	$ (77,000)
Other income, net	$ 8,362	$ 1,943	$ 9,775	$ 3,826
Loss from equity method investment	(178)	(711)	$ (452)	$ (1,400)
Decrease (Increase) in current expected credit loss allowance, net	379,224	(3,113)	382,513	(7,121)
Foreign currency translation gain	18,920	73,705	1,772	114,263
Loss on foreign currency forward contracts (includes unrealized gains (losses) of ($17,772) and $26,722 in 2026 and ($73,682) and ($115,511) in 2025, respectively)	(18,026)	(82,139)	(1,214)	(121,111)
Gain on interest rate hedging instruments (includes unrealized (losses) of ($72) and ($246) in 2025)	—	65	—	23
Decrease in valuation allowance, loans and other lending assets held for sale	—	(1,236)	—	(1,236)
Net realized loss on investments	(339,087)	—	(339,087)	—
Loss on extinguishment of debt	(30,714)	—	(30,714)	—
Net income before taxes	$ 25,806	$ 20,855	$ 52,263	$ 46,962
Income tax provision	(27)	(116)	(257)	(232)
Net income	$ 25,779	$ 20,739	$ 52,006	$ 46,730
Preferred dividends	(3,068)	(3,068)	(6,136)	(6,136)
Net income available to common stockholders	$ 22,711	$ 17,671	$ 45,870	$ 40,594
Net income per share of common stock:				
Basic	$ 0.11	$ 0.12	$ 0.27	$ 0.28
Diluted	$ 0.11	$ 0.12	$ 0.27	$ 0.28
Basic weighted-average shares of common stock outstanding	131,022,330	138,943,566	135,043,996	138,792,126
Diluted weighted-average shares of common stock outstanding	131,597,073	139,208,860	135,634,057	139,103,947
Dividend declared per share of common stock	$ 3.75	$ 0.25	$ 4.00	$ 0.50

See notes to unaudited condensed consolidated financial statements.

Apollo Commercial Real Estate Finance, Inc. and Subsidiaries

Condensed Consolidated Statement of Changes in Stockholders' Equity (Unaudited)
(in thousands—except share and per share data)

	Preferred Stock		Common Stock		Additional Paid-In-Capital	Accumulated Deficit	Total
	Shares	Par	Shares	Par			
Balance at January 1, 2026	6,770,393	$ 68	138,943,831	$ 1,389	$ 2,704,316	$ (849,683)	$ 1,856,090
Capital increase (decrease) related to Equity Incentive Plan	—	—	655,152	7	(2,528)	—	(2,521)
Repurchase of common stock	—	—	(2,874,144)	(29)	(30,255)	—	(30,284)
Net Income	—	—	—	—	—	26,227	26,227
Dividends declared on preferred stock - $0.45 per share	—	—	—	—	—	(3,068)	(3,068)
Dividends declared on common stock and RSUs - $0.25 per share	—	—	—	—	—	(34,751)	(34,751)
Balance at March 31, 2026	6,770,393	$ 68	136,724,839	$ 1,367	$ 2,671,533	$ (861,275)	$ 1,811,693
Capital increase related to Equity Incentive Plan	—	—	67,109	1	3,047	—	3,048
Repurchase of common stock	—	—	(8,579,855)	(86)	(93,158)	—	(93,244)
Net Income	—	—	—	—	—	25,779	25,779
Dividends declared on preferred stock - $0.45 per share	—	—	—	—	—	(3,068)	(3,068)
Dividends declared on common stock and RSUs - $3.75 per share	—	—	—	—	—	(489,348)	(489,348)
Balance at June 30, 2026	6,770,393	$ 68	128,212,093	$ 1,282	$ 2,581,422	$ (1,327,912)	$ 1,254,860

	Preferred Stock		Common Stock		Additional Paid-In-Capital	Accumulated Deficit	Total
	Shares	Par	Shares	Par			
Balance at January 1, 2025	6,770,393	$ 68	138,174,636	$ 1,382	2,695,701	$ (822,670)	$ 1,874,481
Capital increase (decrease) related to Equity Incentive Plan	—	—	696,552	7	(1,524)	—	(1,517)
Net Income	—	—	—	—	—	25,991	25,991
Dividends declared on preferred stock - $0.45 per share	—	—	—	—	—	(3,068)	(3,068)
Dividends declared on common stock and RSUs - $0.25 per share	—	—	—	—	—	(35,279)	(35,279)
Balance at March 31, 2025	6,770,393	$ 68	138,871,188	$ 1,389	$ 2,694,177	$ (835,026)	$ 1,860,608
Capital increase related to Equity Incentive Plan	—	—	72,643	—	3,399	—	3,399
Net Income	—	—	—	—	—	20,739	20,739
Dividends declared on preferred stock - $0.45 per share	—	—	—	—	—	(3,068)	(3,068)
Dividends declared on common stock and RSUs - $0.25 per share	—	—	—	—	—	(35,292)	(35,292)
Balance at June 30, 2025	6,770,393	$ 68	138,943,831	$ 1,389	$ 2,697,576	$ (852,647)	$ 1,846,386

See notes to unaudited condensed consolidated financial statements.

Apollo Commercial Real Estate Finance, Inc. and Subsidiaries
Condensed Consolidated Statement of Cash Flows (Unaudited)
(in thousands)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Cash flows from operating activities:		
Net Income	$ 52,006	$ 46,730
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of discount/premium, deferred fees and payment-in-kind interest	(13,344)	(11,794)
Amortization of deferred financing costs	6,886	8,211
Straight-line rent amortization	(2,207)	—
Equity-based compensation	6,094	6,830
Increase (decrease) in current expected credit loss allowance, net	(382,513)	7,121
Valuation allowance, loans and other lending assets held for sale	—	1,236
Foreign currency gain	(11,603)	(108,699)
Unrealized loss (gain) on foreign currency contracts	(26,722)	115,511
Unrealized loss on interest rate hedging instruments	—	246
Depreciation and amortization on real estate owned	8,612	4,987
Loss from equity method investment	452	1,400
Realized loss on extinguishment of debt	30,714	—
Net realized loss on investment	339,087	—
Changes in operating assets and liabilities:		
Proceeds received from payment-in-kind interest	—	39,136
Other assets	77,123	(13,971)
Accounts payable, accrued expenses and other liabilities	(32,931)	5,966
Payable to related party	(5,171)	(368)
Net cash provided by operating activities	$ 46,483	$ 102,542
Cash flows from investing activities:		
New funding of commercial mortgage loans	(299,900)	(1,376,101)
Add-on funding of commercial mortgage loans	(368,273)	(444,655)
Add-on funding of subordinate loans	(5,533)	(22,545)
Proceeds received from the repayment and sale of commercial mortgage loans	9,497,267	653,916
Proceeds received from the repayment of subordinate loans and other lending assets	67,578	79,207
Contributions to equity method investment	(1,657)	(4,203)
Origination fees, other fees, and cost recovery proceeds received on commercial mortgage loans, and subordinate loans, net	4,772	26,899
Increase (decrease) in collateral related to derivative contracts, net	27,440	(110,560)
Capital expenditures on real estate owned assets	(22,210)	(57,363)
Net cash provided by (used in) investing activities	$ 8,899,484	$ (1,255,405)

See notes to unaudited condensed consolidated financial statements.

Apollo Commercial Real Estate Finance, Inc. and Subsidiaries
Condensed Consolidated Statement of Cash Flows (Unaudited) (Continued)
(in thousands)

	Six Months Ended June 30,	
	2026	2025
Cash flows from financing activities:		
Proceeds from secured debt arrangements	594,095	2,008,388
Proceeds related to financing on real estate owned	19,435	50,927
Repayments of secured debt arrangements	(6,929,540)	(934,352)
Repayments of senior secured term loan principal	(746,250)	(11,250)
Repayments of senior secured notes	(500,000)	—
Payment of deferred financing costs	(6,456)	(15,499)
Payment of issuance discount	—	(5,625)
Repayments of mortgages on real estate owned	(73,700)	—
Payment of withholding tax on RSU delivery	(5,576)	(4,947)
Repurchase of common stock	(123,528)	—
Dividends on common stock	(70,352)	(70,694)
Dividends on preferred stock	(6,136)	(6,136)
Net cash provided by (used in) financing activities	$ (7,848,008)	$ 1,010,812
Net increase (decrease) in cash and cash equivalents	1,097,959	(142,051)
Cash and cash equivalents beginning of period	$ 139,825	$ 317,396
Effects of foreign currency translation on cash and cash equivalents	1,696	2,278
Cash and cash equivalents end of period	$ 1,239,480	$ 177,623
Supplemental disclosure of cash flow information:		
Interest paid	180,783	223,110
Income tax paid	27	114
Change in loan proceeds held by servicer	(4,151)	(46,313)
Supplemental disclosure of non-cash investing and financing activities:		
Dividend declared, not yet paid	492,416	38,360
Deferred financing costs accrued, not yet paid	—	1,274
Restructuring of subordinate loan to commercial mortgage loan	—	148,034

See notes to unaudited condensed consolidated financial statements.

Apollo Commercial Real Estate Finance, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1 – Organization

Apollo Commercial Real Estate Finance, Inc. (together with its consolidated subsidiaries, is referred to throughout this report as the "Company," "ARI," "we," "us" and "our") is a corporation that has elected to be taxed as a real estate investment trust ("REIT") for U.S. federal income tax purposes.

We were formed in Maryland on June 29, 2009, commenced operations on September 29, 2009 and are externally managed and advised by ACREFI Management, LLC (the "Manager"), an indirect subsidiary of Apollo Global Management, Inc. (together with its subsidiaries, "Apollo").

We elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, commencing with the taxable year ended December 31, 2009. To maintain our tax qualification as a REIT, we are required to distribute at least 90% of our taxable income, excluding net capital gains, to stockholders and meet certain other asset, income, and ownership tests.

On April 24, 2026 (the "Closing Date"), we sold our commercial real estate loan portfolio (other than loans that were repaid prior to closing and the Chicago Hotel Loan (as defined below) which was repaid after closing) (the "Asset Sale") to Athene Holding Ltd. ("Athene"), a subsidiary of Apollo Global Management, Inc. ("AGM," and together with its subsidiaries, "Apollo"), for cash consideration of approximately $8.6 billion. A portion of the proceeds from the Asset Sale were used to repay all of our secured credit facilities and a private securitization with Barclays Bank plc, as well as approximately $1.4 billion in principal balance of financing facilities and other indebtedness and to pay transaction expenses.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements include our accounts and those of our consolidated subsidiaries. All intercompany amounts have been eliminated. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Our most significant estimates include current expected credit loss ("CECL") allowances. Actual results may differ from estimates. Certain reclassifications have been made to previously reported amounts to conform to the current period's presentation.

These unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission (the "SEC"). In the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary to present fairly our financial position, results of operations and cash flows have been included. Our results of operations for the three and six months ended June 30, 2026 are not necessarily indicative of the results to be expected for the full year or any other future period.

We currently operate in one reporting segment. Refer to "Note 19 - Segment Reporting" for additional information.

Real Estate Owned, Held for Investment

Real estate assets that are acquired for investment are assumed at their estimated fair value at acquisition and presented net of accumulated depreciation and impairments, if applicable. Upon acquisition, we allocate the value of acquired real estate assets based on the fair value of the acquired land, building, furniture, fixtures and equipment, and intangible assets, if applicable. Real estate assets are depreciated using the straight-line method over the assets' estimated useful lives of up to 40 years for buildings and up to 8 years for furniture, fixtures and equipment. Renovations and/or replacements that improve or extend the life of the real estate asset are capitalized and depreciated over their estimated useful lives. The cost of ordinary repairs and maintenance are expensed as incurred. For real estate projects under development, we capitalize costs incurred to prepare the property for its intended use in accordance with ASC Topic 970, "Real Estate — General." Such costs can include costs related to acquisition, construction, financing, development, and real estate taxes. The capitalization of such expenses ceases when the real estate project is ready for its intended use and occupied by tenants, or held for available occupancy, but no later than one-year from substantial completion of major construction activities. If portions of a real estate project are substantially completed and occupied by tenants, or held available for occupancy, and other portions have not yet reached that stage, the substantially completed portions are accounted for as a separate project. We cease capitalization on the portions substantially completed and occupied or held available for occupancy, and capitalize only those costs associated with the portions under construction.

Revenue Recognition

Interest income on our lending assets is accrued based on the actual coupon rate adjusted for accretion of any purchase discounts, the amortization of any purchase premiums and the accretion of any deferred fees, in accordance with GAAP. Loans that are significantly past due may be placed on nonaccrual if we determine it is probable that we will not collect all payments which are contractually due. When a loan is placed on nonaccrual, interest is only recorded as interest income when it's received. Under certain circumstances, we may apply cost recovery under which interest collected on a loan reduces its amortized cost. The cost recovery method will no longer apply if collection of all principal and interest is reasonably assured. A loan may be placed back on accrual status if we determine it is probable that we will collect all payments which are contractually due.

Revenue from real estate owned operations in our condensed consolidated statement of operations represent revenue associated with the operations of hotel properties ("hotel revenue") and rental income from a multifamily property ("rental revenue"). Hotel revenue is recognized when guestrooms are occupied or services have been rendered and are recorded net of any discounts and sales and other taxes collected from customers. Hotel revenues consist of room sales, food and beverage sales and other hotel revenues. Rental revenue consists of base rent net of concessions, if applicable, recognized on a straight-line basis over the term of the lease. We commence rental revenue recognition when the tenant takes possession of the leased space or controls the physical use of the leased space and when the leased space is substantially ready for its intended use. The difference between rental revenue earned on a straight-line basis and cash rent received is recorded as a receivable and presented within "other assets" on our condensed consolidated balance sheets.

Gains or losses on the sale of real estate assets, including residential property, are recognized in accordance with ASC 610- 20, "Gains and Losses from the Derecognition of Nonfinancial Assets." We use the specific identification method to allocate costs.

Recent Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board ("FASB") issued ASU 2025-05 "Measurement of Credit Losses for Accounts Receivable and Contract Assets" ("ASU 2025-05"). ASU 2025-05 allows entities to prospectively apply a practical expedient that assumes current conditions as of the balance sheet date do not change for the remaining life of current accounts receivable when estimating expected credit losses. ASU 2025-05 is applicable for reporting periods beginning after December 31, 2025. We do not expect ASU 2025-05 to materially affect our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03 "Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses" ("ASU 2024-03"). ASU 2024-03 requires disaggregation of certain expense captions in financial statement disclosures for each interim and annual reporting period. The guidance is effective for annual periods starting after December 15, 2026, and interim periods after December 15, 2027, with early adoption permitted. It is to be adopted on a prospective basis with the option to apply retrospectively. We have not early adopted ASU 2024-03 and are currently evaluating its impact. We do not expect it to materially affect our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09 "Improvements to Income Tax Disclosures" ("ASU 2023-09") which intends to improve the transparency of income tax disclosures. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 and is to be adopted on a prospective basis with the option to apply retrospectively. We have adopted ASU 2023-09, which did not have a material impact on our financial condition, results of operations or financial statement disclosure. Refer to "Note 12 – Income Taxes" for income tax disclosures.

Note 3 – Fair Value Disclosure

GAAP establishes a hierarchy of valuation techniques based on the observability of the inputs utilized in measuring financial instruments at fair value. Market-based or observable inputs are the preferred source of values, followed by valuation models using management's assumptions in the absence of market-based or observable inputs. The three levels of the hierarchy as noted in Accounting Standards Codification ("ASC") Topic 820, "Fair Value Measurements and Disclosures" ("ASC 820") are described below:

Level I — Quoted prices in active markets for identical assets or liabilities.

Level II — Prices are determined using other significant observable inputs. Observable inputs are inputs that other market participants would use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level III — Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used.

While we anticipate that our valuation methods are appropriate and consistent with valuation methods used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. We use inputs that are current as of the measurement date, which may include periods of market dislocation, during which price transparency may be reduced.

Forward Currency Contracts

The fair values of foreign exchange ("Fx") forwards are determined by comparing the contracted forward exchange rate to the current market exchange rate. The current market exchange rates are determined by using market spot rates, forward rates, and interest rate curves for the underlying countries. Our Fx forwards are classified as Level II in the fair value hierarchy. In connection with the Asset Sale, we unwound all forward currency contracts during the three months ended June 30, 2026.

Interest Rate Hedging Instruments

The fair values of our interest rate caps are determined by using the market standard methodology of discounting the future expected cash receipts that occur when variable interest rates rise above the strike rates of the interest rate caps. The variable interest rates used in the calculation of projected receipts on the interest rate caps are based on a third-party expert's expectation of future interest rates derived from observable market interest rate curves and volatility. Our interest rate caps are classified as Level II in the fair value hierarchy and manage our exposure to variable cash flows on certain of our borrowings. As of June 30, 2026, we did not hold any interest rate caps. As of December 31, 2025, we held one interest rate cap related to financing on a full service luxury hotel in Washington D.C. ("D.C. Hotel"). Refer to "Note 5 – Real Estate Owned" and "Note 10 – Derivatives" for further detail.

Loans and Other Lending Assets Held for Sale

Loans and other lending assets are classified as held for sale if there is an intent to sell them in the short-term following the reporting date. These loans are recorded at the lower of amortized cost or fair value, less selling costs, unless the fair value option was elected at the time of origination. If the loan's fair value, less selling costs, is determined to be less than its amortized cost, a fair value adjustment may be recorded through a valuation allowance. Changes in the valuation allowance are recorded within our consolidated statement of operations in the period in which the change occurs.

The fair value of loans held for sale may be estimated using sales of comparable loans as supported by independent market data, or a contractually negotiated sales price. We consider the inputs used to calculate the fair value of loans held for sale as unobservable inputs. Accordingly, we classify the fair value of loans held for sale within Level III of the fair value hierarchy.

As of June 30, 2025, we held a promissory note classified as held for sale. During the three months ended June 30, 2025, we recorded a fair value adjustment of $1.2 million (representing the difference between the note's amortized cost and the note's fair value as of June 30, 2025), which is included within Valuation allowance, loans and other lending assets held for sale on our condensed consolidated statement of operations.

The following table summarizes the levels in the fair value hierarchy into which our assets and liabilities with recurring fair value measurements were categorized as of June 30, 2026 and December 31, 2025 ($ in thousands). As previously stated, we did not hold any forward currency contracts or interest rate caps as of June 30, 2026.

	Fair Value as of June 30, 2026				Fair Value as of December 31, 2025			
	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
Recurring fair value measurements:								
Foreign currency forwards, net	$ —	$ —	$ —	$ —	$ —	$ (26,791)	$ —	$ (26,791)
Interest rate cap assets	—	—	—	—	—	—	—	—
Total financial instruments	$ —	$ —	$ —	$ —	$ —	$ (26,791)	$ —	$ (26,791)

Non-recurring Fair Value Measurements

Real Estate Owned

Property acquired through foreclosure or deed-in-lieu of foreclosure is classified as real estate owned and recognized at fair value on our condensed consolidated balance sheet upon acquisition in accordance with ASC Topic 805, "Business Combinations" ("ASC 805"). We are required to record real estate owned, a nonfinancial asset, at fair value on a non-recurring basis in accordance with ASC 820. Under ASC 820, we may utilize the income, market, or cost approach (or combination thereof) to determine the fair value of real estate owned. We deem the inputs used in these approaches to be significant unobservable inputs. Therefore, we classify the fair value of real estate owned within Level III of the fair value hierarchy.

In March 2023, we acquired legal title of a hotel property in Atlanta, GA ("Atlanta Hotel") through a deed-in-lieu of foreclosure. At the time of acquisition, we determined the fair value of the net real estate assets to be $75.0 million, using a combination of market and income approaches. We utilized a discount rate and capitalization rate of 10.5% and 9.5%, respectively. During the second quarter of 2023, the Atlanta Hotel's assets and liabilities were reclassified to held for sale and the fair value of the net real estate assets, less costs to sell, was in excess of our cost basis. During the first quarter of 2024, we determined that the sale to a third party from whom we received an unsolicited offer was no longer probable, and we were not actively marketing the property for sale. Therefore, the Atlanta Hotel no longer met the criteria for held for sale and was reclassified to real estate owned, held for investment. No impairments had been recorded as of June 30, 2026 or December 31, 2025.

In August 2022, we acquired legal title of the Brooklyn Multifamily Development through a deed-in-lieu of foreclosure. We determined the fair value of the real estate assumed to be $270.1 million, based on the market value of the land at the time of acquisition. No impairments had been recorded as of June 30, 2026 or December 31, 2025.

In May 2021, we acquired legal title to the D.C. Hotel through a deed-in-lieu of foreclosure. We assumed the D.C. Hotel's assets and liabilities, including a $110.0 million mortgage loan which we repaid at par. At the time of acquisition, we determined the fair value of the real estate assets to be $154.3 million. No impairments had been recorded as of June 30, 2026 or December 31, 2025.

Refer to "Note 5 – Real Estate Owned" for additional discussion.

Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net

As discussed above, on the Closing Date, we sold our commercial real estate loan portfolio (other than loans that were repaid prior to closing and one commercial mortgage loan secured by a hotel in Chicago, IL with a principal balance of $46 million, which repaid after the Closing Date (the "Chicago Hotel Loan")) to Athene, a subsidiary of Apollo, for cash consideration of approximately $8.6 billion, which is based on 99.7% of the total commitment amount of such loans as of the Closing Date, subject to certain adjustments as provided in the Purchase Agreement. Accordingly, due to the Asset Sale, there were no outstanding loans as of June 30, 2026.

Our loan portfolio was comprised of the following as of June 30, 2026 and December 31, 2025 ($ in thousands):

Loan Type	June 30, 2026	December 31, 2025
Commercial mortgage loans, net[(1)]	$ —	$ 8,712,018
Subordinate loans, net	—	62,198
Carrying value, net	$ —	$ 8,774,216

(1) Includes $158.7 million of contiguous financing structured as subordinate loans in 2025.

Our loan portfolio consisted of 96% floating rate loans, based on amortized cost, net of Specific CECL Allowance, as of December 31, 2025.

Activity relating to our loan portfolio for the six months ended June 30, 2026 was as follows ($ in thousands):

	Principal Balance	Deferred Fees/Other Items	Specific CECL Allowance	Carrying Value
December 31, 2025	$ 9,204,060	$ (53,090)	$ (338,000)	$ 8,812,970
New loan fundings	$ 299,900	$ —	$ —	$ 299,900
Add-on loan fundings[(1)]	$ 373,806	$ —	$ —	$ 373,806
Loan repayments and sale	$ (9,500,444)	$ —	$ —	$ (9,500,444)
Net realized loss on investments[(2)]	$ (387,561)	$ 48,474	$ —	$ (339,087)
Decrease in Specific CECL Allowance[(3)]	$ —	$ —	$ 338,000	$ 338,000
Gain (loss) on foreign currency translation	$ 5,615	$ (205)	$ —	$ 5,410
Deferred fees and other items[(4)]	$ —	$ (4,493)	$ —	$ (4,493)
Amortization of fees	$ 4,624	$ 9,314	$ —	$ 13,938
June 30, 2026	$ —	$ —	$ —	$ —

(1) Represents fundings subsequent to loan closing.

(2) A net realized loss on investments of $339.1 million was recorded during the six months ended June 30, 2026. On the Closing Date, we wrote off $335.0 million of previously recorded Specific CECL Allowance on loans that were included in the Asset sale. We recognized an additional net realized loss of $2.6 million resulting from the discount on the Asset Sale compared to our loan's cost basis. An additional net realized loss of $1.5 million was recognized upon the discounted repayment of the Chicago Hotel Loan.

(3) We wrote off $335.0 million of previously recorded Specific CECL Allowance on the Closing Date. Upon the discounted repayment of the Chicago Hotel Loan, we wrote off an additional $1.5 million of previously recorded Specific CECL Allowance and reversed the remaining $1.5 million Specific CECL Allowance. See additional detail below.

(4) Other items primarily consist of purchase discounts or premiums, cost recovery interest, exit fees, and deferred origination expenses.

As we sold our commercial real estate loan portfolio to Athene during the three months ended June 30, 2026, and there were no outstanding loans as of June 30, 2026. Accordingly, the following tables present information solely as of December 31, 2025.

The following table details overall statistics for our loan portfolio as of December 31, 2025 ($ in thousands):

		December 31, 2025
Number of loans		56
Principal balance	$	9,204,060
Carrying value, net	$	8,774,216
Unfunded loan commitments[(1)]	$	1,037,765
Weighted-average cash coupon[(2)]		6.5%
Weighted-average remaining fully-extended term[(3)]		3.2 years
Weighted-average expected term[(4)]		2.2 years

(1) Unfunded loan commitments are primarily funded to finance construction costs, tenant improvements, leasing commissions, or carrying costs. These future commitments are funded over the term of each loan, subject in certain cases to an expiration date.
(2) For floating rate loans, based on applicable benchmark rates as of the specified dates. For loans placed on nonaccrual, the interest rate used in calculating weighted-average cash coupon is 0%.
(3) Assumes all extension options are exercised.
(4) Expected term represents our estimated timing of repayments as of the specified dates. Excludes risk-rated five loans.

Property Type

The table below presents information on the property type of the properties securing the loans in our portfolio solely as of December 31, 2025 ($ in thousands):

	December 31, 2025		
Property Type		Carrying Value	% of Portfolio[(1)]
Residential[(2)]	$	2,315,975	26.3%
Office		2,064,821	23.4
Hotel		1,770,331	20.1
Industrial		1,026,213	11.6
Data Centers		560,699	6.4
Retail		323,327	3.7
Mixed Use		302,544	3.4
Other[(3)]		449,060	5.1
Total	$	8,812,970	100.0%
General CECL Allowance[(4)]		(38,754)	
Total Carrying Value, net	$	8,774,216	

(1) Percentage of portfolio calculations are made prior to consideration of General CECL Allowance.
(2) Includes multifamily (11.4%), senior housing (7.7%), student housing (5.0%), and residential-for-sale (2.2%).
(3) Other property types include urban predevelopment (2.6%) and pubs (2.5%).
(4) $5.8 million of the General CECL Allowance is excluded from this table because it relates to unfunded commitments and has been recorded as a liability under accounts payable, accrued expenses and other liabilities in our condensed consolidated balance sheet.

Geography

The table below presents information on the geographic distribution of the properties securing the loans in our portfolio solely as of December 31, 2025 ($ in thousands):

	December 31, 2025	
Geographic Location	Carrying Value	% of Portfolio[1]
United Kingdom	$ 2,603,388	29.5%
New York City	1,616,025	18.3
Other Europe[2]	1,178,074	13.4
Southeast	973,051	11.0
West	824,486	9.4
Midwest	754,115	8.6
Other[3]	863,831	9.8
Total	$ 8,812,970	100.0%
General CECL Allowance[4]	(38,754)	
Total Carrying Value, net	$ 8,774,216	

(1) Percentage of portfolio calculations are made prior to consideration of General CECL Allowance.
(2) Other Europe includes Germany (7.9%), Sweden (3.0%), Italy (2.2%), and the Netherlands (0.3%).
(3) Other includes Southwest (4.2%), Northeast (3.5%), Mid-Atlantic (1.7%) and Other (0.4%).
(4) $5.8 million of the General CECL Allowance is excluded from this table because it relates to unfunded commitments and has been recorded as a liability under accounts payable, accrued expenses and other liabilities in our condensed consolidated balance sheet.

Loan Sales

All sale transactions are evaluated in accordance with ASC Topic 860, "Transfers and Servicing" ("ASC 860").

As discussed above, in April 2026, we sold our commercial real estate loan portfolio (other than loans that were repaid prior to closing and the Chicago Hotel Loan which repaid after the Closing Date) to Athene for cash consideration of approximately $8.6 billion, which is based on 99.7% of the total commitment amount of such loans as of the Closing Date. We evaluated the transaction under ASC 860 and determined the Asset Sale met the criteria for sale accounting. We recorded a net loss of $2.6 million resulting from the discount on the Asset Sale compared to our loan’s cost basis within net realized loss on investments in our condensed consolidated statement of operations related to this transaction.

In February 2025, we originated a $114.0 million commercial mortgage loan secured by a multifamily property located in Miami, FL, which included a $24.0 million contiguous subordinate loan. In March 2025, we sold our interest in the $24.0 million subordinate loan. We evaluated the transaction under ASC 860 and determined the sale met the criteria for sale accounting. We recorded no gain or loss related to this transaction.

Risk Rating

We assess the risk factors of each loan and assign a risk rating based on a variety of factors, including, without limitation, loan to value ("LTV") ratio, debt yield, property type, geographic and local market dynamics, physical condition, cash flow volatility, leasing and tenant profile, loan structure and exit plan, and project sponsorship. We apply these various factors on a case-by-case basis depending on the facts and circumstances for each loan, and the different factors may be given different weightings in different situations. This review was performed quarterly. Based on a 5-point scale, our loans were rated "1" through "5," from less risk to greater risk, which ratings are defined as follows:

1. Very low risk
2. Low risk
3. Moderate/average risk
4. High risk/potential for loss: a loan that has a risk of realizing a principal loss
5. Impaired/loss likely: a loan that has a high risk of realizing principal loss, has incurred principal loss, or an impairment has been recorded

The following table presents the carrying value of our loan portfolio by year of origination and internal risk rating and gross write-offs by year of origination solely as of December 31, 2025 ($ in thousands):

	December 31, 2025								
				Amortized Cost(1) by Year Originated					
Risk Rating	Number of Loans	Total	% of Portfolio	2025	2024	2023	2022	2021	Prior
1	—	$ —	—%	$ —	$ —	$ —	$ —	$ —	$ —
2	1	654,594	7.4%	—	—	—	654,594	—	—
3	51	7,918,714	89.9%	3,459,542	1,319,897	559,238	675,090	1,051,358	853,589
4	1	73,112	0.8%	—	—	—	—	—	73,112
5	3	166,550	1.9%	—	—	—	—	—	166,550
Total	56	$ 8,812,970	100.0%	$ 3,459,542	$ 1,319,897	$ 559,238	$ 1,329,684	$ 1,051,358	$ 1,093,251
General CECL Allowance(2)		(38,754)							
Total loans, net		$ 8,774,216							
Weighted-Average Risk Rating		3.0							
Gross write-offs		$ 6,200		$ —	$ —	$ —	$ —	$ —	$ 6,200

(1) Net of Specific CECL Allowance.

(2) $5.8 million of the General CECL Allowance for 2025 is excluded from this table because it relates to unfunded commitments and has been recorded as a liability under accounts payable, accrued expenses and other liabilities in our condensed consolidated balance sheets.

CECL

In accordance with ASC Topic 326 "Financial Instruments – Credit Losses" ("ASC 326"), which we refer to as the "CECL Standard," we record allowances for loans and held-to-maturity debt securities that are deducted from the carrying amount of the assets to present the net carrying value of the amounts expected to be collected on the assets. We record loan specific allowances as a practical expedient under the CECL Standard ("Specific CECL Allowance"), which we apply to assets that are collateral dependent and where the borrower or sponsor is experiencing financial difficulty. For the remainder of the portfolio, we record a general allowance ("General CECL Allowance," and together with the Specific CECL Allowance, "CECL Allowances") on a collective basis by assets with similar risk characteristics. We have elected to use the weighted-average remaining maturity ("WARM") method in determining a General CECL Allowance for a majority of our portfolio. In the future, we may use other acceptable methods, such as a probability-of-default/loss-given-default method. Refer to "Note 2 – Summary of Significant Accounting Policies" and "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" to our consolidated financial statements of our most recent Annual Report on Form 10-K for further detail on our accounting policies related to CECL Allowances.

As a result of the Asset Sale, we did not hold any commercial mortgage loans or subordinate loans as of June 30, 2026. Accordingly, there were no CECL Allowances recorded as of June 30, 2026. In connection with the Asset Sale, we wrote off $335.0 million of the Specific CECL Allowance previously recorded. Further, upon discounted repayment of the Chicago Hotel Loan, we reversed $1.5 million and wrote off $1.5 million of the previously recorded Specific CECL Allowance. The General CECL Allowance previously recorded was reversed in full upon closing of the Asset Sale.

The following table summarizes changes in CECL Allowances for the six months ended June 30, 2026 ($ in thousands):

	Specific CECL Allowance[1]	General CECL Allowance			Total CECL Allowance	CECL Allowance as % of Amortized Cost	
		Funded	Unfunded	Total		General[1]	Total
December 31, 2025	$ 338,000	$ 38,754	$ 5,759	$ 44,513	$ 382,513	0.51%	4.18%
Changes:							
Allowances (Reversals), net[2]	—	(1,256)	(2,033)	(3,289)	(3,289)		
March 31, 2026	$ 338,000	$ 37,498	$ 3,726	$ 41,224	$ 379,224	0.47%	4.10%
Changes:							
Reversals	(1,464)	(37,498)	(3,726)	(41,224)	(42,688)		
Write-offs	(336,536)	—	—	—	(336,536)		
June 30, 2026	$ —	$ —	$ —	$ —	$ —	0.00%	0.00%

(1) Loans evaluated for Specific CECL Allowance are excluded from General CECL Allowance pool.
(2) During the three months ended March 31, 2026, our General CECL Allowance decreased by $3.3 million. The decrease was primarily due to the favorable impacts of portfolio seasoning. The decrease was partially offset by the effect of loan originations.

The following table summarizes changes in CECL Allowances for the six months ended June 30, 2025 ($ in thousands):

	Specific CECL Allowance[1]	General CECL Allowance			Total CECL Allowance	CECL Allowance as % of Amortized Cost	
		Funded	Unfunded	Total		General[1]	Total
December 31, 2024	$ 342,500	$ 30,836	$ 5,948	$ 36,784	$ 379,284	0.52%	5.07%
Changes:							
Allowances (Reversals), net[2]	—	3,876	132	4,008	4,008		
March 31, 2025	$ 342,500	$ 34,712	$ 6,080	$ 40,792	$ 383,292	0.54%	4.75%
Changes:							
Allowances (Reversals), net[3]	—	4,136	(1,023)	3,113	3,113		
June 30, 2025	$ 342,500	$ 38,848	$ 5,057	$ 43,905	$ 386,405	0.51%	4.29%

(1) Loans evaluated for Specific CECL Allowance are excluded from General CECL Allowance pool.
(2) During the three months ended March 31, 2025, our General CECL Allowance increased by $4.0 million. The increase was primarily due to a more adverse macroeconomic outlook as well as the effect of loan originations. The increase was partially offset by the favorable impacts of portfolio seasoning.
(3) During the three months ended June 30, 2025, our General CECL Allowance increased by $3.1 million. The increase was primarily due to the effect of loan originations as well as extending our expected loan repayment dates. The increase was partially offset by the favorable impacts of portfolio seasoning.

Pre-payment penalties, accelerated fees, and Paid-In-Kind ("PIK") interest

We recognized $0.7 million and $1.8 million in pre-payment penalties and accelerated fees for the three and six months ended June 30, 2026, respectively. We recognized $0.4 million in pre-payment penalties and accelerated fees for both the three and six months ended June 30, 2025.

We recognized PIK interest of $0.5 million and $3.8 million for the three and six months ended June 30, 2026, respectively. We recognized PIK interest of $0.3 million for both the three and six months ended June 30, 2025.

Note 5 – Real Estate Owned

Real Estate Owned, Held for Investment

As of June 30, 2026, assets and liabilities related to real estate owned, held for investment consisted of three properties: the D.C. Hotel, a full-service luxury hotel in Washington, D.C., the Brooklyn Multifamily Development, a multifamily development property located in downtown Brooklyn, NY, and the Atlanta Hotel, a hotel in Atlanta, GA.

Property acquired through foreclosure or deed-in-lieu of foreclosure is classified as real estate owned and recognized at fair value on our condensed consolidated balance sheet upon acquisition in accordance with ASC 805. As real estate owned is a nonfinancial asset, it is recorded at fair value on a non-recurring basis in accordance with ASC 820.

Refer to "Note 3 – Fair Value Disclosure" for full discussion of non-recurring fair value measurements.

D.C. Hotel

In 2021, we acquired legal title to the D.C. Hotel, which previously secured two subordinate loans, through a deed-in-lieu of foreclosure. In accordance with ASC 805, we consolidated the hotel's assets and liabilities at their respective fair values.

In June 2024, we obtained a $73.7 million mortgage secured by the D.C. Hotel. The mortgage included an interest rate of term one-month SOFR + 3.00% and initial maturity of July 2026, with an option to extend for one year, contingent upon meeting certain conditions. The mortgage agreement contained covenants requiring our unencumbered liquidity be greater than $10.0 million and our net worth be greater than $200.0 million. Under these covenants, our General CECL Allowance was added back to our net worth calculation. As of December 31, 2025, we were in compliance with these covenants. During the three months ended June 30, 2026, we fully repaid the $73.7 million mortgage loan.

To manage our exposure to variable cash flows on our borrowings under this mortgage, we entered into an interest rate cap in June 2024. In June 2026, we terminated the interest rate cap subsequent to repayment of the mortgage. No gain or loss was recognized upon termination. As of December 31, 2025, the fair value of the interest rate cap was de minimis. Refer to "Note 10 – Derivatives" for full detail.

We recorded revenue from the hotel's operations of $23.6 million and $37.8 million, respectively, and expenses of $15.5 million and $28.0 million, respectively, for three and six months ended June 30, 2026, and revenue from the hotel's operations of $20.1 million and $38.8 million, respectively, and expenses of $15.4 million and $30.3 million, respectively, for three and six months ended June 30, 2025.

Brooklyn Multifamily Development

In 2022, we acquired legal title of a multifamily development property in downtown Brooklyn, NY, through a deed-in-lieu of foreclosure. The transaction was accounted for as an asset acquisition in accordance with ASC 805, and we recorded the real estate assumed at a fair value based on the market value of the property as of the date of acquisition.

Upon taking title, we concurrently contributed the property to a joint venture with a third-party real estate developer. The entity was deemed to be a variable interest entity ("VIE"), of which we were determined to be the primary beneficiary. Through our wholly owned subsidiaries, we hold a 100% equity ownership interest in the joint venture and our partner is only entitled to profit upon achievement of certain returns under our joint venture agreement.

Additionally, upon taking title, we obtained $164.8 million in construction financing on the property. As of June 30, 2026 and December 31, 2025, the carrying value of the construction financing included within debt related to real estate owned, held for investment, net on our condensed consolidated balance sheets was $371.4 million, net of $0.1 million in deferred financing costs and $351.4 million, net of $0.7 million in deferred financing costs, respectively.

The construction financing includes a maximum commitment of $388.4 million, an interest rate of SOFR +2.55%, and current maturity of August 2026, with an option to extend for one year, contingent upon meeting certain conditions. The construction financing agreement contains covenants requiring our unencumbered liquidity be greater than $50 million and our net worth be greater than $600.0 million. Under these covenants, our General CECL Allowance is added back to our net worth calculation. As of both June 30, 2026 and December 31, 2025, we were in compliance with these covenants.

To manage our exposure to variable cash flows on our borrowings under this construction financing, we entered into an interest rate cap in September 2023. The interest rate cap was extended by one year in September 2024 and matured on October 1, 2025.

We capitalized construction and financing costs of $8.8 million and $20.1 million during the three and six months ended June 30, 2026, respectively, and $30.9 million and $53.0 million during the three and six months ended June 30, 2025, respectively.

From the third quarter of 2025, a component of the property reached substantial completion stage and residential units in this component were held available for occupancy. As such, we accounted for this component as a separate project, ceased capitalizing expenses associated with this project and started recording depreciation for such project. Direct and indirect costs attributable to the remainder of the property, which is still undergoing construction, continue to be capitalized.

In accordance with ASC 842, leases at the Brooklyn Multifamily Development are classified as operating leases, accordingly rental revenue is recognized using the straight-line method over the lease terms. We recorded rental income from the property's operations of $6.5 million and $10.3 million, respectively, and expenses of $1.9 million and $3.7 million, respectively, for three and six months ended June 30, 2026.

Atlanta Hotel

In March 2023, we acquired legal title of the Atlanta Hotel through a deed-in-lieu of foreclosure, and we consolidated the hotel's assets and liabilities at their respective fair values in accordance with ASC 805. The hotel was subsequently classified as held for sale during the second quarter of 2023.

As of March 31, 2024, the Atlanta Hotel no longer met the criteria to be classified as held for sale under ASC 360. In accordance with ASC 360, the REO Fixed Assets were reclassified to their carrying value before classifying as held for sale in June 2023. On the date of reclassification, March 31, 2024, we recorded $3.6 million in depreciation, representing the amount that would have been recorded had the asset remained as held for investment. All other assets and liabilities were reclassified to the corresponding line items on our condensed consolidated balance sheet. No realized gain or loss was recorded in connection with this reclassification.

We recorded revenue from the hotel's operations of $6.1 million and $10.8 million, respectively, and expenses of $5.6 million and $9.4 million, respectively, for three and six months ended June 30, 2026 and revenue from the hotel's operations of $7.6 million and $15.3 million, respectively, and expenses of $5.7 million and $11.5 million, respectively, for three and six months ended June 30, 2025.

The following table presents the REO assets and liabilities included on our consolidated balance sheets ($ in thousands):

	June 30, 2026	December 31, 2025
Assets		
Land	$ 296,595	$ 296,595
Building	571,210	550,995
Furniture, fixtures, and equipment	32,213	29,795
Accumulated Depreciation	(43,048)	(34,438)
Total real estate owned, held for investment	$ 856,970	$ 842,947
Liabilities		
Loan Payable(1)	371,534	425,799
Less: Deferred financing costs	(106)	(1,096)
Total debt related to real estate owned	$ 371,428	$ 424,703

(1) The $73.7 million mortgage secured by the D.C. Hotel was repaid during the three months ended June 30, 2026.

The following table presents the real estate owned operations and net income included in our consolidated statements of income ($ in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Hotel Revenue	$ 29,697	$ 27,832	$ 48,524	$ 54,163
Rental Income	6,545	—	10,285	—
Revenue from real estate owned operations	36,242	27,832	58,809	54,163
Operating expense	(23,081)	(21,113)	(41,299)	(41,880)
Depreciation expense	(4,631)	(2,531)	(8,612)	(4,987)
Net income from real estate owned	8,530	4,188	8,898	7,296

Note 6 – Other Assets

The following table details the components of our other assets at the dates indicated ($ in thousands):

	June 30, 2026	December 31, 2025
Interest receivable	$ —	$ 70,833
Collateral deposited under derivative agreements	—	27,440
Loan proceeds held by servicer[(1)]	—	4,151
Equity method investment[(2)]	24,970	23,764
Other[(3)]	14,884	17,791
Total	$ 39,854	$ 143,979

(1) Includes loan principal, interest, and other fees held by our third-party servicers as of the balance sheet date and remitted during subsequent remittance cycle.
(2) Relates to the Massachusetts Healthcare JV (as defined below) with other Apollo-managed entities that owns two hospitals in Massachusetts. Refer to "Massachusetts Healthcare" below for additional information.
(3) Includes $12.6 million and $16.1 million of other assets from Real Estate Owned, Held for Investment as of June 30, 2026 and December 31, 2025, respectively. Refer to "Note 5 – Real Estate Owned" for additional information.

Massachusetts Healthcare

In 2022, we and other Apollo-managed entities ("Apollo Co-Lenders") co-originated a first mortgage loan ("Massachusetts Healthcare Loan") secured by eight hospitals in Massachusetts. During the third quarter of 2024, we and the Apollo Co-Lenders, through a joint venture ("Massachusetts Healthcare JV"), acquired title to one of the eight hospitals (St. Elizabeth's Medical Center) that previously secured the Massachusetts Healthcare Loan. During the same period, the hospital was taken by eminent domain by the Commonwealth of Massachusetts (the "Commonwealth"). Refer to "Note 16 - Commitments and Contingencies" for additional information regarding the Commonwealth's taking of the hospital and the associated lawsuit against the Commonwealth.

Additionally in the third quarter of 2024, guarantors made a guaranty payment on the Massachusetts Healthcare Loan, and the Borrowers transferred the deeds of the remaining seven hospitals into escrow, thereby releasing the borrowers from their obligation under the loan agreement. As a result, during the third quarter of 2024, we recorded a $127.5 million realized loss on investments in relation to the Massachusetts Healthcare Loan. During the fourth quarter of 2024, five of the seven hospitals were sold to third parties and the proceeds were allocated among us and other Apollo Co-Lenders based on our pro-rata interests in the Massachusetts Healthcare Loan. During the first quarter of 2025, the Massachusetts Healthcare JV took title of the two unsold hospitals.

For the three and six months ended June 30, 2026, we contributed $0.8 million and $1.7 million, respectively, to the Massachusetts Healthcare JV. Additionally, our allocation of loss from the Massachusetts Healthcare JV for the three and six months ended June 30, 2026 was $0.2 million and $0.5 million, recorded within loss from equity method investment, net on our condensed consolidated statement of operations. For the three and six months ended June 30, 2025, we contributed $0.9 million and $4.2 million, respectively, to the Massachusetts Healthcare JV. Additionally, our allocation of losses from the Massachusetts Healthcare JV for the three and six months ended June 30, 2025 was $0.7 million and $1.4 million, respectively, recorded within other income, net on our condensed consolidated statement of operations. Refer to "Note 16 – Commitments and Contingencies" for additional information.

As of June 30, 2026 and December 31, 2025, our equity method investment in the Massachusetts Healthcare JV was $25.0 million and $23.8 million, recorded in other assets on our condensed consolidated balance sheet.

Note 7 – Secured Debt Arrangements, Net

We utilized secured debt arrangements to finance the origination activity in our loan portfolio. Our secured debt arrangements were comprised of secured credit facilities, a private securitization, and a revolving credit facility. During the three months ended June 30, 2026, all outstanding borrowings were repaid in full using proceeds from the Asset Sale (as defined in "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net"). Upon repayment, we recognized a loss of $7.8 million recorded within loss on extinguishment of debt on our condensed consolidated statement of operations due to the write-off of unamortized deferred financing costs.

During the six months ended June 30, 2026, we repaid all of our outstanding secured debt arrangements totaling $6.9 billion. As there were no outstanding borrowings as of June 30, 2026, the following tables present information solely as of December 31, 2025.

Our borrowings under secured debt arrangements as of December 31, 2025 are detailed in the following table ($ in thousands):

	December 31, 2025		
	Maximum Amount of Borrowings(1)	Borrowings Outstanding(1)	Maturity (2)
JPMorgan Facility - USD(3)	$ 2,000,000	$ 1,905,928	March 2030(4)
Morgan Stanley Facility - GBP, EUR	587,300	300,097	April 2033
Morgan Stanley Facility - USD	450,000	378,435	April 2031
Atlas Facility - USD(5)	800,000	485,340	March 2027(6)
Atlas Facility - GBP, EUR	455,928	455,929	August 2028
Barclays Facility - USD	600,000	461,850	March 2030(7)(8)
Barclays Facility - GBP	167,830	124,550	February 2029
Goldman Sachs Facility - GBP	465,063	449,139	June 2029
Goldman Sachs Facility - USD	300,000	146,233	November 2028(9)
Deutsche Bank Facility - USD(3)(10)	200,000	25,800	March 2028(10)
Total Secured Credit Facilities	6,026,121	4,733,301	
Barclays Private Securitization - GBP, EUR, SEK	1,543,925	1,543,925	January 2028(11)
Revolving Credit Facility(12)	275,000	—	August 2028(13)
Total Secured Debt Arrangements	7,845,046	6,277,226	
Less: deferred financing costs	N/A	(8,676)	
Total Secured Debt Arrangements, net(14)(15)(16)	$ 7,845,046	$ 6,268,550	

(1) As of December 31, 2025, British Pound Sterling ("GBP"), Euro ("EUR"), and Swedish Krona ("SEK") borrowings were converted to USD at a rate of 1.35, 1.17 and 0.11, respectively.
(2) Maturity date assumes extensions at our option are exercised with consent of financing providers, where applicable.
(3) The JPMorgan Facility and Deutsche Bank Facility enable us to elect to receive advances in USD, GBP, or EUR.
(4) The JPMorgan Facility final maturity was extended to March 31, 2030 during the first quarter of 2025.
(5) The Atlas Facility - USD was formerly the Credit Suisse Facility. See "Atlas Facilities" below for additional discussion.
(6) The Atlas Facility - USD was amended during March 2024 to convert the facility's maturity from a six month "evergreen" feature to a two-year initial term, with an additional one-year extension option.
(7) Assumes financings are extended in line with the underlying loans.
(8) The Barclays Facility final maturity was extended to March 26, 2030 during the third quarter of 2025.
(9) Assumes facility enters the two-year amortization period subsequent to the November 2026 maturity, which allows for the refinancing or pay down of assets under the facility.
(10) Effective March 31, 2025, the capacity on the Deutsche Bank Facility was reduced to $200.0 million from $700.0 million and final maturity was extended to March 31, 2028 during the first quarter 2025.
(11) Represents weighted-average maturity across various financings with the counterparty. See below for additional details.
(12) Borrowings under the Revolving Credit Facility bear interest at a per annum rate equal to the sum of (i) a floating rate index and (ii) a fixed margin. Borrowings under the Revolving Credit Facility are full recourse to certain guarantor wholly-owned subsidiaries of the Company. See "Revolving Credit Facility" below for additional discussion.
(13) The Revolving Credit Facility was extended to August 7, 2028 during the third quarter of 2025. See "Revolving Credit Facility" below for additional discussion.

(14) Weighted-average borrowing cost as of December 31, 2025 was applicable benchmark rates and credit spread adjustments, plus spreads of USD: +2.05% / GBP: +1.95% / EUR: +2.26% / SEK: +1.50%.
(15) Weighted-average advance rate based on cost as of December 31, 2025 was 72.91% (71.0% (USD) / 76.6% (GBP) / 70.8% (EUR) / 80.1% (SEK)).
(16) As of December 31, 2025, approximately 34% of the outstanding balance under these secured borrowings was recourse to us.

Terms of our secured credit facilities were designed to keep each lender's credit exposure generally constant as a percentage of the underlying value of the assets pledged as security to the facility. If the credit of the underlying collateral value decreased, the amount of leverage to us may have been reduced. As of December 31, 2025, the weighted-average haircut under our secured debt arrangements was approximately 27.1%. Our secured credit facilities did not contain capital markets-based mark-to-market provisions.

Revolving Credit Facility

We were party to a revolving credit facility (the "Revolving Credit Facility") administered by Bank of America, N.A. The Revolving Credit Facility permitted borrowings secured by qualifying commercial mortgage loans and real property owned assets. During the third quarter of 2025, we amended and restated the facility to extend the maturity date from March 2026 to August 2028 and increased the borrowing capacity from $160.0 million to $275.0 million with a syndicate of five lenders. In connection with the amendment and restatement, we incurred $2.7 million of deferred financing costs, including issuance and legal related costs. The Revolving Credit Facility was also subject to certain financial covenants, which are discussed below (see "Debt Covenants").

On the Closing Date, we used a portion of the proceeds from the Asset Sale to fully repay all outstanding revolving credit loans and other obligations under the Amended and Restated Credit Agreement, dated as of August 7, 2025 (as amended, restated, supplemented or otherwise modified from time to time, the "Revolving Credit Facility Agreement"), among ACREFI RCF I, LLC, as Borrower, the Company, as Parent Guarantor, the lenders party thereto, and Bank of America, N.A., as Administrative Agent. As of the Closing Date, all commitments under the Revolving Credit Facility Agreement were terminated in accordance with the terms of the Revolving Credit Facility Agreement, and all outstanding balances were paid in full in conjunction with such termination. During the three months ended June 30, 2026, we recognized a loss of $2.1 million recorded within loss on extinguishment of debt on our condensed consolidated statement of operations due to the write-off of unamortized deferred financing costs upon repayment.

As of June 30, 2026 and December 31, 2025, we had no outstanding balance on the Revolving Credit Facility.

During the three and six months ended June 30, 2026, we recorded $24.0 thousand and $160.0 thousand of unused fees, respectively. During the three and six months ended June 30, 2025, we recorded $63.0 thousand and $143.0 thousand of unused fees, respectively.

During both the three and six months ended June 30, 2026, we recorded $0.4 million of contractual interest expense. During both the three and six months ended June 30, 2025, we recorded $0.6 million of contractual interest expense.

Barclays Private Securitization

We were party to a private securitization with Barclays Bank plc ("Barclays") (such securitization, the "Barclays Private Securitization"). Commercial mortgage loans financed under the Barclays Securitization were denominated in GBP, EUR, and SEK. On the Closing Date, a portion of the proceeds from the Asset Sale were used to fully repay the Barclays Private Securitization.

The Barclays Private Securitization did not include daily margining provisions and granted us significant discretion to modify certain terms of the underlying collateral including waiving certain loan-level covenant breaches and deferring or waiving of debt service payments for up to 18 months. The securitization included loan-to-value based covenants with deleveraging requirements that were based on significant declines in the value of the collateral as determined by an annual third-party (engaged by us) appraisal process tied to the provisions of the underlying loan agreements. We believe this provided us with both cushion and predictability to avoid sudden unexpected outcomes and material repayment requirements.

As the Barclays Private Securitization was fully repaid as of June 30, 2026, the following tables present information solely as of December 31, 2025, except where noted. The table below provides principal balances and the carrying value for commercial mortgage loans pledged to the Barclays Private Securitization as of December 31, 2025 ($ in thousands):

	December 31, 2025		
Local Currency	Count	Outstanding Principal	Carrying Value
GBP	4	$ 1,263,872	$ 1,254,294
EUR	2	543,263	537,005
SEK	1	261,595	260,682
Total	7	$ 2,068,730	$ 2,051,981

The table below provides the borrowings outstanding (on an as converted basis) and weighted-average fully-extended maturities by currency for the assets financed under the Barclays Private Securitization as of December 31, 2025 ($ in thousands):

	Borrowings Outstanding(1)	Fully-Extended Maturity(2)
Total/Weighted-Average GBP	$ 941,015	April 2028
Total/Weighted-Average EUR	393,634	May 2028(3)
Total/Weighted-Average SEK	209,276	May 2026
Total/Weighted-Average Securitization	$ 1,543,925	January 2028

(1) As of December 31, 2025, we had £698.3 million, €335.1 million, and kr1.9 billion of borrowings outstanding under the Barclays Private Securitization secured by certain of our commercial mortgage loans.
(2) Assumes underlying loans extend to fully extended maturity and extensions at our option are exercised.
(3) The EUR portion of the Barclays Private Securitization has an "evergreen" feature such that the facility continues for one year and can be terminated by either party on certain dates with, depending on the date of notice, a minimum of nine to twelve months' notice.

The table below provides the assets and liabilities of the Barclays Private Securitization VIE included in our condensed consolidated balance sheets as of December 31, 2025 ($ in thousands):

	December 31, 2025
Assets:	
Cash	$ 1,325
Commercial mortgage loans, net(1)	2,051,981
Other Assets(2)	23,623
Total Assets	$ 2,076,929
Liabilities:	
Secured debt arrangements, net (net of deferred financing costs of $1.1 million)	$ 1,542,817
Accounts payable, accrued expenses and other liabilities(3)	8,348
Total Liabilities	$ 1,551,165

(1) Net of the General CECL Allowance of $8.4 million as of December 31, 2025.
(2) Includes loan principal, interest, and other fees held by our third-party servicers as of the balance sheet date and remitted during subsequent remittance cycle.
(3) Includes General CECL Allowance related to unfunded commitments on commercial mortgage loans, net of $1.0 million as of December 31, 2025.

The table below provides the net income of the Barclays Private Securitization VIE included in our condensed consolidated statement of operations ($ in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Net interest income:				
Interest income from commercial mortgage loans	$ 9,372	$ 49,050	$ 42,628	$ 95,440
Interest expense	(5,310)	(27,378)	(23,979)	(52,574)
Net interest income	$ 4,062	$ 21,672	$ 18,649	$ 42,866
General and administrative expense	$ (25)	$ (163)	$ 69	$ (163)
Decrease (increase) in current expected credit loss allowance, net	7,083	(293)	9,363	1,053
Foreign currency translation gain	11,738	43,437	2,520	69,070
Realized loss on extinguishment of debt	(968)	—	(968)	—
Net realized loss on investments	(870)	—	(870)	—
Net income	$ 21,020	$ 64,653	$ 28,763	$ 112,826

The table below summarizes the outstanding balances at December 31, 2025, as well as the maximum and average month-end balances for the year ended December 31, 2025 for our borrowings under secured debt arrangements ($ in thousands).

	As of December 31, 2025		For the year ended December 31, 2025	
	Balance	Collateral[(1)]	Maximum Month-End Balance	Average Month-End Balance
JPMorgan Facility	$ 1,905,928	$ 2,565,786	$ 1,925,843	$ 1,601,369
Morgan Stanley Facility - GBP	300,097	369,962	300,096	237,199
Morgan Stanley Facility - USD	378,435	489,666	378,435	329,942
Atlas Facility	485,340	740,608	496,333	510,415
Atlas UK Facility	455,929	643,877	455,928	160,604
HSBC Facility	—	—	—	386,161
Barclays Facility - USD	461,850	630,014	468,595	365,432
Barclays Facility - GBP	124,550	157,891	124,549	123,794
Goldman Sachs Facility - GBP	449,139	581,378	449,091	422,641
Goldman Sachs Facility - USD	146,233	180,806	146,233	97,488
Deutsche Bank Facility	25,800	42,500	27,300	58,425
Barclays Private Securitization	1,543,925	2,060,388	1,543,925	1,673,351
Revolving Credit Facility	—	—	—	14,273
Total	$ 6,277,226	$ 8,462,876		

(1) Represents the amortized cost balance of commercial loan collateral assets and the value of net real estate assets of real property owned collateral assets.

Debt Covenants

The guarantees related to our secured debt arrangements contained the following financial covenants: (i) tangible net worth must be greater than $1.25 billion plus 75% of the net cash proceeds of any equity issuance after March 31, 2017 (or $1.42 billion plus 75% of the net cash proceeds of any equity issuance after June 30, 2025 with respect to the Revolving Credit Facility); (ii) our ratio of total indebtedness to total assets shall not exceed 83.33% (81.82% for the Revolving Credit Facility) and (iii) our liquidity cannot be less than an amount equal to the greater of 5.0% of total recourse indebtedness or $30.0 million. Under these covenants, our General CECL Allowance was added back to our tangible net worth calculation and total assets and total indebtedness were subject to certain adjustments. The Revolving Credit Facility contained an additional financial covenant to maintain a minimum interest coverage ratio of not less than 1.3:1.

Effective as of June 30, 2025, we amended our financial covenants from a maximum ratio of total indebtedness to tangible net worth of 4.0:1.0 to a ratio of total indebtedness to total assets not to exceed 83.33% (81.82% for our Revolving Credit Facility). We were in compliance with our covenants for the period ended December 31, 2025. As we repaid all of our secured debt arrangements during the three months ended June 30, 2026, compliance with these covenants is no longer required.

Note 8 – Senior Secured Term Loans, Net

In June 2025, we entered into a $750.0 million senior secured term loan facility (the "2030 Term Loan") to refinance and replace our previously outstanding 2026 Term Loan and 2028 Term Loans (each as defined and described below). The 2030 Term Loan was due to mature June 2030 and bore interest at a rate of SOFR plus 3.25%. The 2030 Term Loan was issued at a price of 99.3% and was amortizing with repayments of 0.25% of the total committed principal per quarter. The 2030 Term Loan contained restrictions relating to liens, asset sales, indebtedness, and investments in non-wholly owned entities. The refinancing was accounted for as a continuation of the existing loans in accordance with ASC Topic 470 "Debt."

On the Closing Date, we repaid in full the 2030 Term Loan and all other obligations under the Term Loan Credit Agreement, dated as of June 13, 2025, among the Company, as Borrower, the lenders party thereto from time to time, and Goldman Sachs Bank USA, as Administrative Agent and Collateral Agent, using proceeds from the Asset Sale. The full repayment of the 2030 Term Loan resulted in principal repayment of $744.4 million. During the three months ended June 30, 2026, we recognized a loss of $17.3 million recorded within loss on extinguishment of debt on our condensed consolidated statement of operations due to the write-off of the unamortized original issue discount and deferred financing costs upon repayment.

Prior to refinancing in June 2025, we held a $471.3 million senior secured term loan (the "2026 Term Loan") that bore interest at SOFR plus 2.86% and a $288.0 million senior secured term loan (the "2028 Term Loan", collectively with the 2026 Term Loan, the "2026 and 2028 Term Loans") that bore interest at SOFR (with a floor of 0.50%) plus 3.61%. The 2026 and 2028 Term Loans contained restrictions relating to liens, asset sales, indebtedness, and investments in non-wholly owned entities and were issued at a price of 99.5% and 99.0%, respectively.

The following table summarizes the terms of the 2030 Term Loan solely as of December 31, 2025 ($ in thousands):

	Principal Amount	Unamortized Issuance Discount(1)	Deferred Financing Costs(1)	Carrying Value	Rate(2)	Maturity Date
2030 Term Loan	$ 746,250	$ (6,324)	$ (12,393)	$ 727,533	+ 3.25%	6/13/2030
Total	$ 746,250	$ (6,324)	$ (12,393)	$ 727,533		

(1) Unamortized issuance discount and deferred financing costs will be amortized to interest expense over remaining life of respective term loans.
(2) Indexed to one-month SOFR

Covenants

The 2030 Term Loan contained a financial covenant that our recourse indebtedness shall not exceed 83.3% of our total assets (subject to certain adjustments). As of December 31, 2025, we were in compliance with this covenant. As we repaid the 2030 Term Loan during the three months ended June 30, 2026, compliance with the covenant is no longer required.

Note 9 – Senior Secured Notes, Net

In June 2021, we issued $500.0 million of 4.625% Senior Secured Notes due 2029 (the "2029 Notes"), for which we received net proceeds of $495.0 million, after deducting initial purchasers' discounts and commissions. The 2029 Notes had a maturity of June 15, 2029, unless repurchased or redeemed at an earlier date. The 2029 Notes were secured by a first-priority lien, and rank pari-passu in right of payment with all of our existing and future first lien obligations, including indebtedness under the 2030 Term Loan. The 2029 Notes were issued at par and contained covenants relating to liens, indebtedness, and investments in non-wholly owned entities.

On the Closing Date, in connection with the closing of the Asset Sale and in accordance with the Indenture, dated as of June 29, 2021 (as supplemented, amended or otherwise modified to the date hereof, the "Indenture"), among the Company, the Guarantors (as defined in the Indenture), and Computershare Trust Company, National Association (as successor to Wells Fargo Bank, National Association), as Trustee and Notes Collateral Agent (the "Trustee"), the Trustee delivered a notice of redemption to the holders of the 2029 Notes, stating that the we would redeem in full the $500.0 million in aggregate principal on June 15, 2026 (the "Redemption Date"), plus accrued and unpaid interest in accordance with the Indenture.

On the Closing Date, in connection with the closing of the Asset Sale, the Company caused sufficient funds to fund the redemption of the outstanding 2029 Notes on the Redemption Date to be irrevocably deposited with the Trustee. After the deposit of funds, the Indenture was satisfied and discharged in accordance with its terms. As a result of the satisfaction and discharge of the Indenture, we were released from our obligations under the Indenture, except for those provisions of the Indenture that, by their terms, survive the satisfaction and discharge of the Indenture. We recognized a loss of $3.5 million recorded within loss on extinguishment of debt on our condensed consolidated statement of operations due to the write-off of unamortized deferred financing costs relating to the 2029 Notes during the three months ended June 30, 2026.

As of December 31, 2025, the 2029 Notes had a carrying value of $497.2 million, net of deferred financing costs of $2.8 million. The 2029 Notes included certain covenants including a requirement that we maintain a ratio of total unencumbered assets to total pari-passu indebtedness of at least 1.20:1. As of December 31, 2025, we were in compliance with all covenants. As we repaid the 2029 Notes during the three months ended June 30, 2026, compliance with these covenants is no longer required.

Note 10 – Derivatives

We use forward currency contracts to economically hedge interest and principal payments due under our loans denominated in currencies other than USD.

Historically, we have entered into a series of forward contracts to sell an amount of foreign currency (GBP, EUR and SEK) for an agreed upon amount of USD at various dates. These forward contracts were executed to economically fix the USD amounts of foreign denominated cash flows expected to be received by us related to foreign denominated loan investments. In connection with the Asset Sale, we unwound all forward currency contracts during the three months ended June 30, 2026.

The agreements with our derivative counterparties required that we post collateral to secure net liability positions. As of June 30, 2026, there was no collateral posted as all forward currency contracts were unwound during the three months ended June 30, 2026 as a result of the Asset Sale. As of December 31, 2025, we were in a net liability position with our derivative counterparties and posted collateral of $27.4 million, included within other assets on our condensed consolidated balance sheet.

The following table summarizes our non-designated Fx forwards and interest rate cap as of December 31, 2025. As previously stated, we did not hold any forward currency contracts or interest rate caps as of June 30, 2026.

	December 31, 2025				
Type of Derivatives	Number of Contracts	Aggregate Notional Amount (in thousands)	Notional Currency	Maturity	Weighted-Average Years to Maturity
Fx contracts - GBP	153	577,672	GBP	January 2026 - August 2029	1.46
Fx contracts - EUR	21	254,588	EUR	February 2026 - December 2028	1.55
Fx contracts - SEK	10	558,278	SEK	February 2026 - May 2026	0.40
Interest rate cap	1	73,700	USD	September 2026	0.67

We have not designated any of our derivative instruments as hedges as defined in ASC Topic 815, "Derivatives and Hedging" and, therefore, changes in the fair value of our derivative instruments are recorded directly in earnings. The following table summarizes the amounts recognized on our condensed consolidated statements of operations related to our forward currency contracts for the three and six months ended June 30, 2026 and 2025 ($ in thousands):

		Amount of gain (loss) recognized in income		Amount of gain (loss) recognized in income	
		Three Months Ended June 30,		Six Months Ended June 30,	
	Location of Gain (Loss) Recognized in Income	2026	2025	2026	2025
Forward currency contracts	Unrealized gain (loss) on derivative instruments	$ (17,772)	$ (73,682)	$ 26,722	$ (115,511)
Forward currency contracts	Realized loss on derivative instruments	(254)	(8,457)	(27,936)	(5,600)
Total		$ (18,026)	$ (82,139)	$ (1,214)	$ (121,111)

The following table summarizes the amounts recognized on our condensed consolidated statements of operations related to our interest rate caps for the three and six months ended June 30, 2026 and 2025 ($ in thousands):

		Amount of gain (loss) recognized in income		Amount of gain (loss) recognized in income	
		Three Months Ended June 30,		Six Months Ended June 30,	
	Location of Gain (Loss) recognized in Income	2026	2025	2026	2025
Interest rate caps	Unrealized loss on interest rate hedging instruments	$ —	$ (72)	$ —	$ (246)
Interest rate caps	Realized gain on interest rate hedging instruments	—	137	—	269
Total		$ —	$ 65	$ —	$ 23

In September 2023, we entered into an interest rate cap with a notional amount of $164.8 million that effectively limited SOFR from exceeding 4.00% and the maximum all-in coupon on our construction financing to 6.55%. During both the three and six months ended June 30, 2025, SOFR exceeded the cap rate of 4.00%. As such, we realized a gain from the interest rate cap in the amount of $0.1 million and $0.3 million during the three and six months ended June 30, 2025, respectively, which is included in gain (loss) on interest rate hedging instruments in our condensed consolidated statement of operations.

In June 2024, we entered into an interest rate cap with an original maturity of July 1, 2025 and a notional amount of $73.7 million. During August 2025, we extended our interest rate cap to September 1, 2026. We used our interest rate cap to hedge our exposure to variable cash flows on our floating rate mortgage related to the D.C. Hotel. The interest rate cap effectively limited SOFR from exceeding 6.00% which resulted in the maximum all-in coupon on mortgage of 9.00%. During the three and six months ended June 30, 2026 and 2025, SOFR did not exceed the cap rate of 6.00%, and accordingly, no realized gain was recorded. The interest rate cap was terminated upon repayment of the mortgage during the three months ended June 30, 2026. No gain or loss was recognized upon termination.

The following table summarizes the gross asset and liability amounts related to our derivatives at December 31, 2025 ($ in thousands):

	December 31, 2025		
	Gross Amount of Recognized Assets	Gross Amounts Offset in our Consolidated Balance Sheet	Net Amounts of Assets Presented in our Consolidated Balance Sheet
Forward currency contracts	$ 7,464	$ (34,255)	$ (26,791)
Interest rate caps	—	—	—
Total derivative assets (liabilities)	$ 7,464	$ (34,255)	$ (26,791)

Note 11 – Accounts Payable, Accrued Expenses and Other Liabilities

The following table details the components of our accounts payable, accrued expense and other liabilities ($ in thousands):

	June 30, 2026	December 31, 2025
Accrued dividends payable	$ 492,478	$ 38,668
Accrued interest payable	—	33,876
Accounts payable and other liabilities(1)	14,099	13,159
General CECL Allowance on unfunded commitments(2)	—	5,759
Total	$ 506,577	$ 91,462

(1) Includes $14.0 million and $13.1 million of accounts payable and other liabilities on the balance sheet of the Real Estate Owned, Held for Investment at June 30, 2026 and December 31, 2025, respectively.

(2) Refer to "Note 4 — Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for additional disclosure related to the General CECL Allowance on unfunded commitments as of December 31, 2025.

Note 12 – Income Taxes

We have elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, commencing with the taxable year ended December 31, 2009. As a REIT, U.S. federal income tax law generally requires us to distribute annually at least 90% of our REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that we pay tax at regular corporate rates to the extent that we annually distribute less than 100% of our net taxable income. We are also subject to U.S. federal, state, and local income taxes on our domestic taxable REIT subsidiaries ("TRS") based on the tax jurisdictions in which they operate.

During the three and six months ended June 30, 2026, we recorded an income tax provision of $27 thousand and $0.3 million, respectively, and during the three and six months ended June 30, 2025, we recorded an income tax provision of $0.1 million and $0.2 million, respectively, related to activities of our taxable REIT subsidiaries.

There was a de minimis income tax liability related to the operating activities of our TRS entities as of June 30, 2026 and $0.2 million income tax liability as of December 31, 2025. As of June 30, 2026 and December 31, 2025, there were no material deferred tax assets or liabilities.

As of June 30, 2026, we had net operating losses of $5.1 million and capital losses of $25.2 million that may be carried forward for use in subsequent periods.

As of June 30, 2026, tax years 2021 through 2025 remain subject to examination by taxing authorities.

Note 13 – Related Party Transactions

Management Agreement

In connection with our initial public offering in September 2009, we entered into a management agreement (the "Management Agreement") with our Manager, which described the services to be provided by the Manager and its compensation for those services. The Manager is responsible for managing our day-to-day operations, subject to the direction and oversight of our board of directors. Per the Management Agreement, the Manager was paid a base management fee equal to 1.5% per annum of our Stockholders' Equity (as defined in the Management Agreement), calculated and payable (in cash) quarterly in arrears. The term of the Management Agreement was automatically renewed for a successive one-year term in September 2025.

Effective on the Closing Date, we entered into an Amended and Restated Management Agreement (the "A&R Management Agreement"), which provides for an initial base management fee of 0.75% per annum of our Stockholders' Equity (as defined in the A&R Management Agreement) if the annualized return on equity ("ROE") for a particular fiscal quarter is less than 7.5%, or 1.5% per annum of our Stockholders' Equity (as defined in the A&R Management Agreement) if the ROE for a particular fiscal quarter equals or exceeds 7.5%. The management fee is payable quarterly in arrears entirely in shares of common stock, par value $0.01 per share, of the Company ("Company Common Stock"), except for certain circumstances in which the base management fee is required to be paid partially or entirely in cash as provided in the A&R Management Agreement. including following achievement of an ROE of 7.5% or more for two consecutive quarters (the "ROE Milestone"). The number of shares of Company Common Stock issuable as payment of any installment of the base management fee will be equal to the greatest of: (i) book value per share of a share of Company Common Stock as of the end of the fiscal quarter to which such installment relates, (ii) the average of the closing prices for a share of Company Common Stock on the New York Stock Exchange for each of the five consecutive full trading days ending on and including the last full trading day of the fiscal quarter to which such installment relates and (iii) the par value per share of Company Common Stock. If the Company achieves the ROE Milestone, then the base management fee will permanently increase to 1.5% of Stockholders' Equity and will be payable entirely in cash.

The term of the A&R Management Agreement will automatically renew on each anniversary. The A&R Management Agreement may be terminated upon expiration of the one-year extension term only upon the affirmative vote of at least two-thirds of our independent directors, based upon (i) unsatisfactory performance by the Manager that is materially detrimental to ARI or (ii) a determination that the management fee payable to the Manager is not fair, subject to the Manager's right to prevent such a termination based on unfair fees by accepting a mutually acceptable reduction of management fees agreed to by at least two-thirds of our independent directors. The Manager must be provided with written notice of any such termination at least 180 days prior to the expiration of the then existing term and will be paid a termination fee equal to three times the sum of incentive fees paid and the average annual base management fees during the 24-month period immediately preceding the date of termination, calculated as of the end of the most recently completed fiscal quarter prior to the date of termination.

We incurred approximately $3.6 million and $11.7 million in base management fees under the Management Agreement for the three and six months ended June 30, 2026, as compared to $8.4 million and $16.9 million for the three and six months ended June 30, 2025.

In addition to the base management fee, we are also responsible for reimbursing the Manager for certain expenses paid by the Manager on our behalf or for certain services provided by the Manager to us. For the three and six months ended June 30, 2026, we paid expenses totaling $5.4 million and $7.1 million, respectively, related to reimbursements for certain expenses paid by the Manager on our behalf under the Management Agreement as compared to $2.4 million and $8.1 million respectively, for three and six months ended June 30, 2025. Expenses incurred by the Manager and reimbursed by us are reflected in the respective condensed consolidated statement of operations expense category or our condensed consolidated balance sheets based on the nature of the item.

Included in payable to related party on our condensed consolidated balance sheets at June 30, 2026 and December 31, 2025 is approximately $3.4 million and $8.6 million, respectively, for base management fees incurred but not yet paid under the Management Agreement.

Term Loan

In June 2025, we refinanced our existing 2026 and 2028 Term Loans with the 2030 Term Loan (refer to "Note 8 – Senior Secured Term Loans, Net" for a full discussion). In connection with this refinance, Apollo Global Funding, LLC, an affiliate of the Manager, served as one of several arrangers in both the 2025 refinancing and the original 2028 Term Loan issuance, receiving $1.0 million and $0.2 million in arrangement fees, respectively. Additionally, funds managed by an affiliate of the Manager invested $30.0 million in the 2028 Term Loan, and $25.0 million in the 2030 Term Loan. The 2030 Term Loan was repaid in full during the three months ended June 30, 2026.

Senior Secured Notes

In June 2021, Apollo Global Securities, LLC, an affiliate of the Manager, served as one of the eight initial purchasers in the issuance of our 2029 Notes and received $0.4 million of initial purchasers' discounts and commissions. The 2029 Notes were redeemed in full during the three months ended June 30, 2026.

Italian Direct Lending Structure

In the fourth quarter of 2021, we formed an Italian closed-end alternative investment fund, managed by Apollo Investment Management Europe (Luxembourg) S.A R.L, a regulated alternative investment fund manager (the "AIFM"), an affiliate of the Manager. The management fees incurred during the three and six months ended June 30, 2026 and 2025, respectively, were de minimis. As of June 30, 2026 and December 31, 2025, the fees payable to the AIFM were de minimis.

Atlas Facilities

In February 2023, in connection with the acquisition by certain subsidiaries of Atlas, which is a wholly-owned investment of a fund managed by an affiliate of the Manager, the Credit Suisse Facility was acquired by Atlas. In order to effect the assignment of the Credit Suisse Facility and related agreements, the Company and one of its subsidiaries, similar to the other sellers and guarantors party to the subject agreements in the transaction, entered into an Omnibus Assignment, Assumption and Amendment Agreement as well as certain related agreements with Credit Suisse AG and Atlas. At the time of acquisition, we had $632.3 million of secured debt on the Credit Suisse Facility consisting of four commercial mortgage loans. During the third quarter of 2025, we entered into the Atlas Facility - EUR.

The Atlas Facilities were repaid in full during the three months ended June 30, 2026. As of December 31, 2025, we had $941.3 million of secured debt on the Atlas Facilities. Refer to "Note 7 – Secured Debt Arrangements, Net" for additional discussion.

Massachusetts Healthcare

In September 2024, we, along with the Apollo Co-Lenders, formed a joint venture of which we held a 41.2% equity interest. Through this joint venture, we and the Apollo Co-Lenders foreclosed on one of the eight Massachusetts hospitals that previously secured our loan. In accordance with ASC Topic 323, "Investments – Equity Method and Joint Ventures" our 41.2% interest in the joint venture was deemed an equity method investment. There was a balance of $25.0 million and $23.8 million in the joint venture as of June 30, 2026 and December 31, 2025, respectively, recorded within Other Assets on our condensed consolidated balance sheet. See "Massachusetts Healthcare" within "Note 6 – Other Assets" for further discussion.

The Asset Sale

On January 27, 2026, we entered into an Asset Purchase and Sale Agreement (the "Purchase Agreement") with Athene, and, in connection therewith, entered into a letter agreement with ACREFI Operating, LLC, a subsidiary of the Company ("Operating LLC"), and the Manager (the "Management Agreement Side Letter"), and a letter agreement with Apollo Management Holdings, L.P. ("Apollo Management Holdings") (the "Expense Reimbursement Letter Agreement"). Each of Athene and Apollo Management Holdings is a subsidiary of Apollo.

Under the terms of the Management Agreement Side Letter, each of us, Operating LLC and the Manager agreed to enter into the A&R Management Agreement (as discussed above), effective upon the closing of the Asset Sale. Under the terms of the Expense Reimbursement Letter Agreement, Apollo Management Holdings agreed to reimburse us for up to $10 million of the expenses incurred by us in connection with the Asset Sale.

On the Closing Date, pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, we sold our commercial real estate loan portfolio (other than loans that were repaid prior to closing and the Chicago Hotel Loan which repaid after the Closing Date) to Athene.

Note 14 – Share-Based Payments

In June 2024, we adopted the Apollo Commercial Real Estate Finance, Inc. 2024 Equity Incentive Plan ("2024 LTIP") following approval by our board of directors and approval by our stockholders at our 2024 annual meeting of stockholders on June 7, 2024 (the "2024 Annual Meeting"). Following the 2024 Annual Meeting, no additional awards have been or will be granted under the Apollo Commercial Real Estate Finance, Inc. 2019 Equity Incentive Plan ("2019 LTIP," and together with the 2024 LTIP, the "LTIPs" or "Equity Incentive Plans"), and all outstanding awards granted under the 2019 LTIP remain in effect in accordance with the terms in the 2019 LTIP.

The 2024 LTIP provides for grants of restricted common stock, restricted stock units ("RSUs") and other equity-based awards up to an aggregate of 7,500,000 shares of our common stock. The LTIPs are administered by the compensation committee of our board of directors (the "Compensation Committee") and all grants under the LTIPs must be approved by the Compensation Committee.

We recognized stock-based compensation expense related to restricted stock and RSU vesting of $3.0 million and $6.1 million during the three and six months ended June 30, 2026, respectively, and $3.4 million and $6.8 million during the three and six months ended June 30, 2025, respectively.

The following table summarizes the grants, vesting and forfeitures of restricted common stock and RSUs during the six months ended June 30, 2026:

Type	Restricted Stock	RSUs	Grant Date Fair Value ($ in millions)
Outstanding at December 31, 2025	71,134	2,280,723	
Granted	67,109	—	$ 0.7
Vested	(71,134)	—	N/A
Forfeiture	—	—	N/A
Outstanding at June 30, 2026	67,109	2,280,723	

Below is a summary of restricted stock and RSU vesting dates as of June 30, 2026:

Vesting Year	Restricted Stock	RSUs	Total Awards
2026	—	1,107,507	1,107,507
2027	67,109	759,504	826,613
2028	—	413,712	413,712
Total	67,109	2,280,723	2,347,832

As of June 30, 2026, we had unrecognized compensation expense of approximately $0.5 million and $17.1 million related to the vesting of restricted stock awards and RSUs, respectively, presented in the table above.

The unrecognized compensation expense related to the vesting of restricted stock awards and RSUs are expected to be recognized over a weighted-average period of 1.4 years.

RSU Deliveries

During the six months ended June 30, 2026 and 2025, we delivered 655,152 and 698,061 shares of common stock for 1,177,215 and 1,246,704 vested RSUs, respectively. We allow RSU participants to settle their tax liabilities with a reduction of their share delivery from the originally granted and vested RSUs. The amount, when agreed to by the participant, results in a cash payment to the Manager related to this tax liability and a corresponding adjustment to additional paid in capital on our condensed consolidated statement of changes in stockholders' equity. The adjustment was $5.6 million and $4.9 million for the six months ended June 30, 2026 and 2025, respectively. The adjustment is a reduction of capital related to our equity incentive plan and is presented net of increases of capital related to our equity incentive plan in our condensed consolidated statement of changes in stockholders' equity.

Note 15 – Stockholders' Equity

Our authorized capital stock consists of 450,000,000 shares of common stock, $0.01 par value per share and 50,000,000 shares of preferred stock, $0.01 par value per share. As of June 30, 2026, 128,212,093 shares of common stock were issued and outstanding and 6,770,393 shares of our 7.25% Series B-1 Cumulative Redeemable Perpetual Preferred Stock ("Series B-1 Preferred Stock") were issued and outstanding. The Series B-1 Preferred Stock, with a par value $0.01 per share, have a liquidation preference of $25.00 per share.

Dividends. The following table details our dividend activity:

	Three Months Ended June 30,		Six Months Ended June 30,	
Dividends declared per share of:	2026	2025	2026	2025
Common Stock	$ 3.75	$ 0.25	$ 4.00	$ 0.50
Series B-1 Preferred Stock	$ 0.45	$ 0.45	$ 0.90	$ 0.90

Common Stock Repurchases. In April 2026, our board of directors approved a stock repurchase program for up to an aggregate of $150.0 million of our common stock. This $150.0 million program replaced the previous program authorized in March 2020, as amended in February 2021, which was terminated. During the three and six months ended June 30, 2026, we repurchased 8,579,855 and 11,453,999 shares, respectively, of our common stock at a weighted-average price of $10.85 and $10.76 per share, respectively. During the three and six months ended June 30, 2025, there was no common stock repurchase activity. As of June 30, 2026, the approximate dollar value of shares that may yet be purchased under our stock repurchase program was $99.2 million.

Note 16 – Commitments and Contingencies

Legal Proceedings

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business.

AmBase Corporation: On June 28, 2018, AmBase Corporation, 111 West 57th Street Manager Funding LLC and 111 West 57th Investment LLC (together, "Plaintiffs") commenced a now-dismissed action captioned AmBase Corporation et al v. ACREFI Mortgage Lending, LLC et al (No 653251/2018) in New York Supreme Court (the "Apollo Action"), Plaintiffs amended the complaint in 2021. The complaint named as defendants (i) a wholly-owned subsidiary of the Company (the "Subsidiary"), (ii) the Company, and (iii) certain funds managed by Apollo, who were co-lenders on a mezzanine loan against the development of a residential condominium building in Manhattan, NY. Plaintiffs alleged that the defendants tortiously interfered with the Plaintiffs' joint venture agreement with the developers of the project, and that the defendants aided and abetted breaches of fiduciary duty by the developers of the project. The Plaintiffs alleged the loss of a $70.0 million investment plus punitive damages. The defendants' motion to dismiss was granted on October 23, 2019 and the Court entered judgment dismissing the complaint in its entirety on November 8, 2019. Plaintiffs appealed, the parties fully briefed the appeal, and then Plaintiffs dropped the appeal, and the case remains dismissed.

In a separate action that pre-existed the Apollo Action, captioned 111 West 57th Investment LLC v. 111W57 Mezz Investor LLC (No. 655031/2017) also in New York Supreme Court (the "April 2021 Action"), Plaintiffs amended the complaint in 2021 to name Apollo Global Management, Inc., the Subsidiary, the Company, and certain funds managed by Apollo as defendants. The April 2021 Action concerns overlapping claims and the same condominium development project that the Apollo Action concerned. The defendants filed a motion to dismiss, which was granted in part and denied in part on December 15, 2022. The Court dismissed the claim against Apollo Global Management, Inc. and the Company. Apollo appealed the decision with respect to the remaining claim. On October 5, 2023, the Appellate Division, First Department granted Apollo's appeal, thereby dismissing the remaining claim against the Apollo entities who were co-lenders on the mezzanine loan, including the Subsidiary. Plaintiffs filed a motion for leave with the Court of Appeals on November 3, 2023 which the Court denied on April 23, 2024. On July 12, 2024, Plaintiffs filed new motions for leave to appeal to the Court of Appeals. On February 18, 2025, the Court of Appeals granted Plaintiffs' motion for leave to appeal and briefing was completed and argument was heard on April 14, 2026. On May 26, 2026, the Court of Appeals modified the Appellate Division dismissal to the extent of reinstating a single claim against the Subsidiary and certain funds managed by Apollo for breach of an implied covenant in the operative pledge agreement. The Court of Appeals has remitted the case to the trial court for further proceedings on that cause of action. No reasonable estimate of possible loss, if any, can be made at this time. The Company believes the claim is without merit.

Note 17 – Fair Value of Financial Instruments

The following table presents the carrying value and estimated fair value of our financial instruments not carried at fair value on our condensed consolidated balance sheets at June 30, 2026 and December 31, 2025 ($ in thousands):

	June 30, 2026		December 31, 2025	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Cash and cash equivalents	$ 1,239,480	$ 1,239,480	$ 139,825	$ 139,825
Commercial mortgage loans, net	—	—	8,712,018	8,650,253
Subordinate loans, net	—	—	62,198	62,198
Secured debt arrangements, net	—	—	(6,268,550)	(6,268,550)
Senior secured term loans, net	—	—	(727,533)	(750,914)
Senior secured notes, net	—	—	(497,226)	(485,625)
Debt related to real estate owned, held for investment, net	(371,428)	(371,428)	(424,703)	(424,703)

To determine estimated fair values of the financial instruments listed above, market rates of interest, which include credit assumptions, are used to discount contractual cash flows. The estimated fair values are not necessarily indicative of the amount we could realize on disposition of the financial instruments. The use of different market assumptions or estimation methodologies could have a material effect on the estimated fair value amounts.

As discussed above, in April 2026, we sold our commercial real estate loan portfolio (other than loans that were repaid prior to closing and the Chicago Hotel Loan which repaid after the Closing Date) to Athene for cash consideration of approximately $8.6 billion, which is based on 99.7% of the total commitment amount of such loans as of the Closing Date. A portion of the proceeds from the Asset Sale were used to repay our secured debt arrangements, senior secured term loan, and senior secured notes.

Estimates of fair value for cash and cash equivalents, Senior Secured Notes, net, and Term Loans, net are measured using observable Level I inputs as defined in "Note 3 – Fair Value Disclosure." Estimates of fair value for all other financial instruments in the table above are measured using significant estimates, or unobservable Level III inputs as defined in "Note 3 – Fair Value Disclosure."

Note 18 – Net Income (Loss) per Share

ASC Topic 260, "Earnings Per Share" requires the use of the two-class method of computing both basic and diluted earnings (loss) per share for all periods presented for each class of common stock and participating securities. Under the two-class method, all earnings (distributed and undistributed) are allocated to common shares and participating securities according to their respective rights to receive dividends. The unvested RSUs granted under our Equity Incentive Plans to certain employees of the Manager qualify as participating securities as RSUs have non-forfeitable rights to participate in dividends. Therefore, unvested RSUs are included in the calculation of basic earnings per share.

For the three and six months ended June 30, 2026 and 2025, dilutive earnings per share was calculated under the more dilutive computation of the treasury stock method and the if converted method. Under the treasury stock method, the denominator includes the weighted-average outstanding common shares plus the incremental shares related to participating securities. The incremental shares are determined by subtracting the average unrecognized compensation cost for the period divided by the average stock price from the unvested RSUs.

The table below presents the computation of basic and diluted net income per share of common stock for the three and six months ended June 30, 2026 and 2025 ($ in thousands except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income	$ 25,779	$ 20,739	$ 52,006	$ 46,730
Less: Preferred dividends	(3,068)	(3,068)	(6,136)	(6,136)
Less: Earnings attributable to participating securities	—	—	—	—
Less: Dividends on participating securities	(8,553)	(556)	(9,123)	(1,117)
Net income attributable to common stockholders, basic and diluted	$ 14,158	$ 17,115	$ 36,747	$ 39,477
Number of Shares:				
Basic weighted-average shares of common stock outstanding	131,022,330	138,943,566	135,043,996	138,792,126
Diluted weighted-average shares of common stock outstanding	131,597,073	139,208,860	135,634,057	139,103,947
Earnings Per Share Attributable to Common Stockholders				
Basic	$ 0.11	$ 0.12	$ 0.27	$ 0.28
Diluted	$ 0.11	$ 0.12	$ 0.27	$ 0.28

For the three and six months ended June 30, 2026, 574,742 and 590,061 incremental shares, respectively, were included in the calculation of diluted net income per share because the effect was dilutive. For the three and six months ended June 30, 2025, 265,295 and 311,821 incremental shares, respectively, were included in the calculation of diluted net income per share because the effect was dilutive.

Note 19 – Segment Reporting

We currently operate as one segment, which is also our sole reportable segment. Our chief operating decision maker ("CODM") is our senior management team, comprised of our chief executive officer, our chief financial officer, and the chief investment officer of the Manager. The accounting policies of our single reportable segment are consistent with those outlined in our summary of significant accounting policies (refer to "Note 2 – Summary of Significant Accounting Policies" to our consolidated financial statements of our most recent Annual Report on Form 10-K). We generate our revenue primarily from originating, acquiring, investing in, and managing performing commercial mortgage loans, subordinate financings, and other commercial real estate-related debt investments. Additionally, we may find it necessary or desirable to foreclose on certain of the loans we originate or acquire, and if we cannot sell the related property, we would operate the property as real estate owned. The

CODM evaluates the performance of any real estate owned assets with that of our commercial mortgage loans, subordinate financings, and other commercial real estate-related debt investments. Additionally, we seek to enhance our returns on equity by utilizing leverage, and generally finance our mortgage loans with leverage obtained through a variety of sources, including secured credit facilities, a revolving credit facility, private securitizations, and corporate-level debt. The CODM evaluates performance and allocates resources based on consolidated net income (loss), which is also reported as consolidated net income (loss) on our consolidated statement of operations. Our consolidated net income (loss) is primarily derived through the difference between the interest income earned on our loans and the cost at which we are able to finance them. Accordingly, interest expense, as reported on our consolidated statement of operations, is our most significant segment expense. Additionally, the measure of segment assets is reflected on the balance sheet as total consolidated assets. The CODM uses consolidated net income (loss) to make key operating decisions, such as identifying attractive investment opportunities, evaluating underwriting standards, determining the appropriate level of leverage to enhance returns on equity and deciding on the sources of financing.

Note 20 – Subsequent Events

Subsequent to the quarter ended June 30, 2026, the following events took place:

Special Meeting Proxy and Plan: On July 14, 2026, we filed a preliminary proxy statement (the "Special Meeting Proxy") with the SEC related to a Special Meeting of Stockholders (the "Special Meeting"), for the following purposes: (i) to consider and vote on a proposal to approve the dissolution of the Company, the liquidation of its assets and the winding up of its business and affairs in accordance with the Plan of Complete Liquidation and Dissolution (the "Plan") (the "Dissolution Proposal"); (ii) to consider and vote on a proposal to approve, subject to approval of the Dissolution Proposal, on an advisory, non-binding basis, compensation that may become payable by the Company to its named executive officers in connection with the Plan (the "Executive Compensation Proposal"); and (iii) to consider and vote on a proposal to approve one or more adjournments of the Special Meeting, if necessary or appropriate, from time to time, to a later date or dates, even if a quorum is present, to solicit additional proxies if there are not sufficient votes at the time of the Special Meeting to approve the Dissolution Proposal (the "Adjournment Proposal"). If the Plan is approved by our stockholders, we will adopt the liquidation basis of accounting which requires our assets to be recognized at the estimated amounts expected to be collected and liabilities to be recognized at the estimated amounts at which they are expected to be settled.

Redemption of 7.25% Series B-1 Cumulative Redeemable Perpetual Preferred Stock: On July 15, 2026 (the "Redemption Date"), we completed the redemption of all our outstanding shares of our 7.25% Series B-1 Cumulative Redeemable Perpetual Preferred Stock, $0.01 par value per share (the "Series B-1 Preferred Stock"), pursuant to Section (5)(a) of the Articles Supplementary setting forth the terms of such shares. In connection with such redemption, we entered into a Redemption Agent Agreement dated July 14, 2026 with Equiniti Trust Company, LLC ("Equiniti"), pursuant to which Equiniti acted as redemption agent to facilitate the payment of the Redemption Price (as defined below) to holders of record of the Series B-1 Preferred Stock. We deposited the aggregate Redemption Price into a segregated payment fund maintained by Equiniti for the benefit of the shareholders.

Each share of Series B-1 Preferred Stock was redeemed at a price of $25.00 per share, plus an amount equal to all accrued and unpaid dividends (whether or not earned or declared) to, but not including, the Redemption Date (collectively, the "Redemption Price"). As of the Redemption Date, dividends on the Series B-1 Preferred Stock ceased to accrue, and all rights of holders with respect to such shares terminated, except for the right to receive the Redemption Price without interest.

Following such redemption, no shares of Series B-1 Preferred Stock remain issued and outstanding.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING INFORMATION

We make forward-looking statements herein and will make forward-looking statements in future filings with the SEC, press releases or other written or oral communications within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). For these statements, we claim the protections of the safe harbor for forward-looking statements contained in such Sections. Forward-looking statements are subject to substantial risks and uncertainties, many of which are difficult to predict and are generally beyond our control. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" or similar expressions, it intends to identify forward-looking statements. Statements regarding the following subjects, among others, may be forward-looking: higher interest rates and inflation; market trends in our industry, real estate values, the debt securities markets or the general economy; the demand for commercial real estate loans; our business and investment strategy; our operating results; actions and initiatives of the U.S. government and governments outside of the United States, changes to government policies and the execution and impact of these actions, initiatives and policies; the state of the economy generally or in specific geographic regions; the impact of a shutdown of the U.S. federal government; economic trends and economic recoveries; our ability to obtain and maintain financing arrangements, including secured debt arrangements and securitizations; the timing and amount of expected future fundings of unfunded commitments; the availability of debt financing from traditional lenders; the volume of short-term loan extensions; the demand for new capital to replace maturing loans; expected leverage; general volatility of the securities markets in which we participate; changes in the value of our assets; the scope of our target assets; interest rate mismatches between our target assets and any borrowings used to fund such assets; changes in interest rates and the market value of our target assets; changes in prepayment rates on our target assets; effects of hedging instruments on our target assets; rates of default or decreased recovery rates on our target assets; the degree to which hedging strategies may or may not protect us from interest rate volatility; impact of and changes in governmental regulations, tax law and rates, accounting, legal or regulatory issues or guidance and similar matters; our continued maintenance of our qualification as a REIT for U.S. federal income tax purposes; our continued exclusion from registration under the Investment Company Act of 1940, as amended (the "1940 Act"); the availability of opportunities to acquire commercial mortgage-related, real estate-related and other securities; the availability of qualified personnel; estimates relating to our ability to make distributions to our stockholders in the future; our present and potential future competition; unexpected costs or unexpected liabilities, including those related to litigation; and risks associated with the exact amount or timing of our sales of assets and liquidating distributions; unexpected costs or unexpected liabilities that may arise from the transactions contemplated by the Plan and with our ability to realize the results of the Plan.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Forward-looking statements are not predictions of future events. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. See Item 1A. "Risk Factors" and Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our most recent Annual Report on Form 10-K and "Risk Factors" in the Special Meeting Proxy. These and other risks, uncertainties and factors, including those described in the annual, quarterly and current reports that we file with the SEC, could cause our actual results to differ materially from those included in any forward-looking statements we make. All forward-looking statements speak only as of the date they are made. New risks and uncertainties arise over time, and it is not possible to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

We are a Maryland corporation and have elected to be taxed as a REIT for U.S. federal income tax purposes. We primarily originate, acquire, invest in and manage performing commercial first mortgage loans, subordinate financings, and other commercial real estate-related debt investments. These asset classes are referred to as our target assets.

We are externally managed and advised by the Manager, an indirect subsidiary of Apollo, a global, high-growth alternative asset manager with assets under management of approximately $1.05 trillion as of June 30, 2026.

The Manager is led by an experienced team of senior real estate professionals who have significant expertise in underwriting and structuring commercial real estate financing transactions. We benefit from Apollo's global infrastructure and operating platform, through which we are able to source, evaluate and manage potential investments in our target assets.

As previously disclosed, following the Asset Sale, our management team, in consultation with our board of directors, evaluated a range of commercial real estate–related strategies designed to reposition ARI. In assessing potential new asset strategies, we leveraged Apollo's broader investment platform and origination capabilities. We also considered strategic M&A opportunities and explored available strategic alternatives, including dissolution. On June 15, 2026, we announced that, following an extensive review of potential strategic alternatives for ARI, our board of directors determined that our dissolution, the liquidation of our assets and the winding up of our business and affairs are advisable and in our best interests and the best interests of the ARI stockholders.

On July 14, 2026, we filed the Special Meeting Proxy with the SEC related to the Special Meeting, for the following purposes: (i) to consider and vote on the Dissolution Proposal; (ii) to consider and vote on the Executive Compensation Proposal; and (iii) to consider and vote on the Adjournment Proposal. If the Plan is approved by our Stockholders, we will adopt the liquidation basis of accounting which requires our assets to be recognized at the estimated amounts expected to be collected and liabilities to be recognized at the estimated amounts at which they are expected to be settled.

The Asset Sale

On the Closing Date, pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, the Company sold its commercial real estate loan portfolio (other than loans that were repaid prior to closing and the Chicago Hotel Loan which was repaid after the Closing Date) to Athene for cash consideration of approximately $8.6 billion, which is based on 99.7% of the total commitment amount of such loans as of the Closing Date, subject to certain adjustments as provided in the Purchase Agreement. A portion of the proceeds from the Asset Sale were used to repay all secured credit facilities and other indebtedness and to pay transaction expenses.

Current Market Conditions

Certain external events such as public health issues, natural disasters, political and economic instability abroad, concerns regarding the stability of the sovereign debt of certain European countries, and other geopolitical issues, have adversely impacted the global economy and have contributed to significant volatility in financial markets. Due to various uncertainties caused by such external events and recent macroeconomic trends, including inflation and higher interest rates, further business risks could arise. Some of the factors that impacted us to date and may continue to affect us are outlined in Item 1A. "Risk Factors" in our most recent Annual Report on Form 10-K.

Results of Operations

Net Income Available to Common Stockholders

For the three months ended June 30, 2026 and 2025, our net income available to common stockholders was $22.7 million, or $0.11 per diluted share of common stock, and $17.7 million, or $0.12 per diluted share of common stock, respectively.

For the six months ended June 30, 2026 and 2025, our net income available to common stockholders was $45.9 million, or $0.27 per diluted share of common stock, and $40.6 million, or $0.28 per diluted share of common stock, respectively.

Operating Results

The following table sets forth information regarding our condensed consolidated results of operations and certain key operating metrics compared to the most recently reported period ($ in thousands):

	Three Months Ended		
	June 30, 2026	March 31, 2026	Change
Net interest income:			
Interest income from commercial mortgage loans	$ 41,726	$ 149,989	$ (108,263)
Interest income from subordinate loans and other lending assets	—	—	—
Interest expense	(33,585)	(113,922)	80,337
Net interest income	8,141	36,067	(27,926)
Operations related to real estate owned:			
Revenue from real estate owned operations	36,242	22,567	13,675
Operating expenses related to real estate owned	(23,081)	(18,218)	(4,863)
Depreciation and amortization on real estate owned	(4,631)	(3,981)	(650)
Net income related to real estate owned	8,530	368	8,162
Operating expenses:			
General and administrative expenses	(5,810)	(5,952)	142
Management fees to related party	(3,556)	(8,118)	4,562
Total operating expenses	(9,366)	(14,070)	4,704
Other income, net	8,362	1,413	6,949
Loss from equity method investment	(178)	(274)	96
Net realized loss on investments	(339,087)	—	(339,087)
Loss on extinguishment of debt	(30,714)	—	(30,714)
Decrease in Specific CECL Allowance	338,000	—	338,000
Decrease in General CECL Allowance, net	41,224	3,289	37,935
Gain (loss) on foreign currency forward contracts	(18,026)	16,812	(34,838)
Foreign currency translation gain (loss)	18,920	(17,148)	36,068
Net income before taxes	$ 25,806	$ 26,457	$ (651)
Income tax provision	(27)	(230)	203
Net income	$ 25,779	$ 26,227	$ (448)

Net Interest Income

Net interest income decreased by $27.9 million during the three months ended June 30, 2026 compared to the three months ended March 31, 2026. The net decrease was attributable to the sale of our commercial real estate loan portfolio on April 24, 2026, resulting in two fewer months of interest income recorded during the three months ended June 30, 2026 compared to the three months ended March 31, 2026. Refer to "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for additional detail.

Operations Related to Real Estate Owned

For the three months ended June 30, 2026, we recorded net income related to real estate owned of $8.5 million compared to net income of $0.4 million for the three months ended March 31, 2026. The increase in net income was primarily due to the seasonality of hotel operations, which led to $6.4 million higher net income from operations, prior to depreciation, for the D.C. Hotel during the three months ended June 30, 2026 as compared to the three months ended March 31, 2026. Further, net income attributable to the Brooklyn Multifamily Development increased $2.7 million during the three months ended June 30, 2026 as compared to the three months ended March 31, 2026 as the lease-up of the property continues to ramp up. Refer to "Note 5 – Real Estate Owned" for further discussion of operations related to real estate owned.

Operating Expenses

General and administrative expenses remained relatively consistent for the three months ended June 30, 2026 compared to the three months ended March 31, 2026.

Management fees expense decreased by $4.6 million for the three months ended June 30, 2026 compared to the three months ended March 31, 2026. The decrease was primarily due to a reduction in the base management fee rate under the A&R Management Agreement entered into in connection with the Asset Sale and write-offs of previously recorded Specific CECL Allowances during the three months ended June 30, 2026. Refer to "Note 13 – Related Party Transactions" for additional information.

Other Income, net

Other income increased by $6.9 million for the three months ended June 30, 2026 compared to the three months ended March 31, 2026. The increase was primarily due to an increase in bank interest earned on our cash balance, which was significantly higher during the three months ended June 30, 2026 due to cash received from the Asset Sale.

Net Realized Loss on Investments

During the three months ended June 30, 2026, we recorded a net realized loss on investments of $339.1 million. The net realized loss consisted of the following: i) a $335.0 million write-off of a previously recorded Specific CECL Allowance relating to loans that were included in the Asset Sale; ii) a $2.6 million net realized loss resulting from the discount on the Asset Sale compared to our loan's cost basis; and iii) a $1.5 million write-off of a previously recorded Specific CECL Allowance upon the discounted repayment of the Chicago Hotel Loan. Refer to "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for additional detail.

Loss on Extinguishment of Debt

During the three months ended June 30, 2026, we recorded a loss on extinguishment of debt of $30.7 million relating to the repayment of debt in connection with the Asset Sale. The loss represented unamortized fees and deferred financing costs associated with our secured debt arrangements, senior secured term loan, and senior secured notes. Refer to "Note 7 – Secured Debt Arrangements, Net", "Note 8 – Senior Secured Term Loans, Net", and "Note 9 – Senior Secured Notes, Net" for additional detail.

Decrease in Specific CECL Allowance

During the three months ended June 30, 2026, we wrote off $335.0 million of our Specific CECL Allowance in connection with the Asset Sale. The remaining $3.0 million of Specific CECL Allowance related to the Chicago Hotel Loan, which repaid at a discount during the three months ended June 30, 2026. Upon repayment, we reversed $1.5 million of the Specific CECL Allowance and wrote off the remaining $1.5 million. Comparatively, during the three months ended March 31, 2026, there was no change to our Specific CECL Allowance.

Decrease in General CECL Allowance, net

During the three months ended June 30, 2026, we reversed our previously recorded $41.2 million General CECL Allowance as a result of the Asset Sale. Comparatively, during the three months ended March 31, 2026, our General CECL Allowance decreased by $3.3 million. The decrease was primarily due to the favorable impacts of portfolio seasoning, and partially offset by the effect of loan originations. Refer to "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for additional information related to our General CECL Allowance.

Foreign currency translation gain and loss on derivative instruments

Foreign currency gains and losses on derivative instruments are evaluated on a combined basis and the net impact for the three months ended June 30, 2026 and the three months ended March 31, 2026 were a net gain of $0.9 million and a net loss of $0.3 million, respectively. The net loss for the three months ended March 31, 2026 compared to the net gain for the three months ended June 30, 2026 was predominantly due to higher forward point estimates for the three months ended March 31, 2026.

The following table sets forth information regarding our condensed consolidated results of operations and certain key operating metrics for the six months ended June 30, 2026 and 2025 ($ in thousands):

	Six months ended		
	June 30, 2026	June 30, 2025	Change
Net interest income:			
Interest income from commercial mortgage loans	$ 191,715	$ 310,676	$ (118,961)
Interest income from subordinate loans and other lending assets	—	1,114	(1,114)
Interest expense	(147,507)	(229,235)	81,728
Net interest income	44,208	82,555	(38,347)
Operations related to real estate owned:			
Revenue from real estate owned operations	58,809	54,163	4,646
Operating expenses related to real estate owned	(41,299)	(41,880)	581
Depreciation and amortization on real estate owned	(8,612)	(4,987)	(3,625)
Net income related to real estate owned	8,898	7,296	1,602
Operating expenses:			
General and administrative expenses	(11,762)	(13,213)	1,451
Management fees to related party	(11,674)	(16,920)	5,246
Total operating expenses	(23,436)	(30,133)	6,697
Other income, net	9,775	3,826	5,949
Loss from equity method investment	(452)	(1,400)	948
Net realized loss on investments	(339,087)	—	(339,087)
Loss on extinguishment of debt	(30,714)	—	(30,714)
Valuation allowance, loans and other lending assets held for sale	—	(1,236)	1,236
Decrease in Specific CECL Allowance	338,000	—	338,000
Decrease (increase) in General CECL Allowance, net	44,513	(7,121)	51,634
Loss on foreign currency forward contracts	(1,214)	(121,111)	119,897
Foreign currency translation gain	1,772	114,263	(112,491)
Gain on interest rate hedging instruments	—	23	(23)
Net income before taxes	$ 52,263	$ 46,962	$ 5,301
Income tax provision	(257)	(232)	(25)
Net income	$ 52,006	$ 46,730	$ 5,276

Net Interest Income

Net interest income decreased by $38.3 million during the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The net decrease was attributable to the sale of our commercial real estate loan portfolio on April 24, 2026, resulting in two fewer months of interest income recorded during the six months ended June 30, 2026 compared to the six months ended June 30, 2025. Refer to "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for additional detail.

Operations Related to Real Estate Owned

For the six months ended June 30, 2026, we recorded net income related to real estate owned of $8.9 million compared to net income of $7.3 million for the six months ended June 30, 2025. The increase was primarily due to operating income attributable to our Brooklyn Multifamily Development as the lease-up of the property continues to ramp up. There was no such activity during the six months ended June 30, 2025 as the property was still under construction with no revenue streams generated

and all expenses being capitalized. Refer to "Note 5 – Real Estate Owned" for full discussion of operations related to real estate owned.

Operating Expenses

General and administrative expenses decreased by $1.5 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to a decrease in amortization of RSUs as well as a decrease in legal expenses.

Management fees expense decreased by $5.2 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The decrease was primarily due to a reduction in the base management fee rate under the A&R Management Agreement entered into in connection with the Asset Sale and write-offs of previously recorded Specific CECL Allowances during the six months ended June 30, 2026 in connection with the Asset Sale. Refer to "Note 13 – Related Party Transactions" for additional information.

Other Income, net

Other income increased by $5.9 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. The increase was primarily due to an increase in bank interest earned on our cash balance, which was significantly higher during the six months ended June 30, 2026 due to cash received from the Asset Sale.

Loss from Equity Method Investments

We recognized a loss from equity method investments of $0.5 million during the six months ended June 30, 2026 compared to a loss of $1.4 million during the six months ended June 30, 2025. The decrease in the loss is primarily due to greater legal costs incurred by the joint venture in 2025 compared to 2026.

Net Realized Loss on Investments

During the six months ended June 30, 2026, we recorded a net realized loss on investments of $339.1 million. The net realized loss consisted of the following: i) a $335.0 million write-off of a previously recorded Specific CECL Allowance relating to loans that were included in the Asset Sale; ii) a $2.6 million net realized loss resulting from the discount on the Asset Sale compared to our loan's cost basis; and iii) a $1.5 million write-off of a previously recorded Specific CECL Allowance upon the discounted repayment of the Chicago Hotel Loan. Refer to "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for additional detail.

Loss on Extinguishment of Debt

During the six months ended June 30, 2026, we recorded a loss on extinguishment of debt of $30.7 million relating to the repayment of debt in connection with the Asset Sale. The loss represented unamortized fees and deferred financing costs associated with our secured debt arrangements, senior secured term loan, and senior secured notes. Refer to "Note 7 – Secured Debt Arrangements, Net", "Note 8 – Senior Secured Term Loans, Net", and "Note 9 – Senior Secured Notes, Net" for additional detail.

Valuation Allowance, Loans and Other Lending Assets Held for Sale

During the six months ended June 30, 2025, we recorded a fair value adjustment of $1.2 million on a promissory note classified as held for sale (representing the difference between the note's amortized cost and the note's fair value as of June 30, 2025). The promissory note was subsequently sold in July 2025 at a price of 97.0%, upon which we reversed the valuation allowance and recorded an equivalent realized loss.

Decrease in Specific CECL Allowance

During the six months ended June 30, 2026, we wrote off $335.0 million of our Specific CECL Allowance in connection with the Asset Sale. The remaining $3.0 million of Specific CECL Allowance related to the Chicago Hotel Loan, which repaid at a discount during the six months ended June 30, 2026. Upon repayment, we reversed $1.5 million of the Specific CECL Allowance and wrote off the remaining $1.5 million. There was no change to our Specific CECL Allowance during the six months ended June 30, 2025. Refer to "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for additional detail.

Decrease (increase) in General CECL Allowance, net

During the six months ended June 30, 2026, we recorded a net decrease in our General CECL Allowance of $44.5 million. The decrease was driven by the sale of our commercial real estate loan portfolio, resulting in a full reversal of our General CECL Allowance. Comparatively, during the six months ended June 30, 2025, we recorded a net increase in our General CECL Allowance of $7.1 million, primarily driven by the effect of loan originations. The increase was partially offset by the favorable impacts of portfolio seasoning.

Refer to "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for additional detail.

Foreign currency translation gain and loss on derivative instruments

Foreign currency gains and losses on derivative instruments are evaluated on a combined basis and the net impact for the six months ended June 30, 2026 and six months ended June 30, 2025 was a net gain of $0.6 million and a net loss of $6.8 million, respectively. The net gain for the six months ended June 30, 2026 compared to the net loss for the six months ended June 30, 2025 was predominantly due to higher forward point estimates for the six months ended June 30, 2025.

Subsequent Events

Refer to "Note 20 – Subsequent Events" to the accompanying condensed consolidated financial statements for disclosure regarding significant transactions that occurred subsequent to June 30, 2026.

Non-GAAP Financial Measures

Distributable Earnings

Distributable Earnings, a non-GAAP financial measure, is defined as net income available to common stockholders, computed in accordance with GAAP, adjusted for (i) equity-based compensation expense (a portion of which may become cash-based upon final vesting and settlement of awards should the holder elect net share settlement to satisfy income tax withholding), (ii) any unrealized gains or losses or other non-cash items (including depreciation and amortization related to real estate owned) included in net income available to common stockholders, (iii) unrealized income from unconsolidated joint ventures, (iv) foreign currency gains (losses), other than (a) realized gains/(losses) related to interest income, and (b) forward point gains/(losses) realized on our foreign currency hedges, and (v) provision for current expected credit losses. Distributable Earnings may also be adjusted to exclude certain other non-cash items, as determined by the Manager and approved by a majority of our independent directors.

A significant limitation associated with Distributable Earnings as a measure of our financial performance over any period is that it excludes unrealized gains (losses) from investments. In addition, our presentation of Distributable Earnings may not be comparable to similarly-titled measures of other companies, that use different calculations. As a result, Distributable Earnings should not be considered as a substitute for our GAAP net income as a measure of our financial performance or any measure of our liquidity under GAAP. Distributable Earnings are reduced for realized losses and increased for realized gains.

For the three months ended June 30, 2026 and March 31, 2026, our Distributable Earnings were ($349.1) million, or $(2.62) per share, and $30.7 million, or $0.22 per share, respectively.

The table below summarizes the reconciliation from weighted-average diluted shares under GAAP to the weighted-average diluted shares used for Distributable Earnings:

	Three Months Ended	
Weighted-Averages	June 30, 2026 Shares	March 31, 2026 Shares
Diluted shares - GAAP	131,597,073	139,709,831
Unvested RSUs, net[(1)]	1,705,981	2,060,564
Diluted shares - Distributable Earnings	133,303,053	141,770,395

(1) Unvested RSUs are net of incremental shares assumed repurchased under the treasury stock method, if dilutive. For the three months ended June 30, 2026 and three months ended March 31, 2026, there were 574,742 and 599,484 incremental shares included, respectively.

As a REIT, U.S. federal income tax law generally requires us to distribute annually at least 90% of our REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that we pay tax at regular corporate rates to the extent that we annually distribute less than 100% of our net taxable income. Given these requirements and our belief that dividends are generally one of the principal reasons stockholders invest in a REIT, we generally intend over time to pay dividends to our stockholders in an amount equal to our net taxable income, if and to the extent authorized by our board of directors. Distributable Earnings is a key factor considered by the board of directors in setting the dividend and as such we believe Distributable Earnings is useful to investors.

Distributable Earnings Prior to Realized Loss on Investments and Realized Loss on Extinguishment of Debt

We believe it is useful to our investors to present Distributable Earnings prior to realized loss on investments and realized loss on extinguishment of debt to reflect our operating results because (i) our operating results are primarily comprised of earning interest income on our investments net of borrowing and administrative costs, which comprise our ongoing operations and (ii) it has been a useful factor related to our dividend per share because it is one of the considerations when a dividend is determined. We believe that our investors use Distributable Earnings and Distributable Earnings prior to realized loss on investments and realized loss on extinguishment of debt, or a comparable supplemental performance measure, to evaluate and compare the performance of our company and our peers.

During the three months ended June 30, 2026, we recorded a net realized loss on investments of $339.1 million in connection with the Asset Sale. The net realized loss consisted of the following: i) a $335.0 million write-off of a previously recorded Specific CECL Allowance relating to loans that were included in the Asset Sale; ii) a $2.6 million net realized loss resulting from the discount on the Asset Sale compared to our loan's cost basis; and iii) a $1.5 million write-off of a previously recorded Specific CECL Allowance upon the discounted repayment of the Chicago Hotel Loan. Refer to "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for additional detail.

We also recorded a realized loss on extinguishment of debt of $30.7 million during the three months ended June 30, 2026, relating to the repayment of debt in connection with the Asset Sale. The loss represented unamortized fees and deferred financing costs associated with our secured debt arrangements, senior secured term loan, and senior secured notes. Refer to "Note 7 – Secured Debt Arrangements, Net", "Note 8 – Senior Secured Term Loans, Net", and "Note 9 – Senior Secured Notes, Net" for additional detail.

During the three months ended March 31, 2026, there were no realized losses on investments or realized losses on extinguishment of debt.

The table below summarizes the reconciliation from net income available to common stockholders to Distributable Earnings and Distributable Earnings prior to realized loss on investments and realized loss on extinguishment of debt ($ in thousands):

	Three Months Ended	
	June 30, 2026	March 31, 2026
Net income available to common stockholders	$ 22,711	$ 23,159
Adjustments:		
Equity-based compensation expense	3,047	3,047
Loss (gain) on foreign currency forwards	18,026	(16,812)
Foreign currency loss (gain), net	(18,920)	17,148
Realized losses relating to interest income on foreign currency hedges, net	(493)	(416)
Realized gains relating to forward points on foreign currency hedges, net	1,073	3,864
Depreciation and amortization on real estate owned	4,631	3,981
Decrease in current expected credit loss allowance, net	(379,224)	(3,289)
Net realized loss on investments	339,087	—
Loss on extinguishment of debt	30,714	—
Total adjustments:	(2,059)	7,523
Distributable Earnings prior to net realized loss on investments and loss on extinguishment of debt	$ 20,652	$ 30,682
Net realized loss on investments	$ (339,087)	$ —
Loss on extinguishment of debt	(30,714)	—
Distributable Earnings	$ (349,149)	$ 30,682
Diluted Distributable Earnings per share prior to net realized loss on investments and loss on extinguishment of debt	$ 0.15	$ 0.22
Diluted Distributable Earnings per share of common stock	$ (2.62)	$ 0.22
Weighted-average diluted shares - Distributable Earnings	133,303,053	141,770,395

Book Value Per Share

The following table calculates our book value per share ($ in thousands, except per share data):

	June 30, 2026	December 31, 2025
Stockholders' Equity	$ 1,254,860	$ 1,856,090
Series B-1 Preferred Stock (Liquidation Preference)	(169,260)	(169,260)
Common Stockholders' Equity	$ 1,085,600	$ 1,686,830
Common Stock	128,212,093	138,943,831
Book value per share	$ 8.47	$ 12.14

Investment Guidelines

Our current investment guidelines, approved by our board of directors, are comprised of the following:

1. no investment will be made that would cause us to fail to qualify as a REIT for U.S. federal income tax purposes;
2. no investment will be made that would cause us to register as an investment company under the 1940 Act;
3. investments will be predominantly in our target assets;
4. no more than 20% of our net equity (on a consolidated basis) will be invested in any single investment at the time of the investment; in determining compliance with the investment guidelines, the amount of the investment is the net equity in the investment (gross investment less amount of third-party financing) plus the amount of any recourse on the financing secured by the investment; and
5. until appropriate investments can be identified, the Manager may invest the proceeds of any offering in interest bearing, short-term investments, including money market accounts and/or funds, that are consistent with our intention to qualify as

a REIT.

The board of directors must approve any change in or waiver to these investment guidelines.

Investment Activity

During the six months ended June 30, 2026, we committed $299.9 million of capital to a new loan (fully funded at closing), and provided $373.8 million of add-on fundings. During the six months ended June 30, 2026, we received $9.5 billion in loan repayments.

Loan Portfolio Overview

On the Closing Date, we sold our commercial real estate loan portfolio (other than loans that were repaid prior to closing and the Chicago Hotel Loan which was repaid after the Closing Date). Accordingly, there were no outstanding loans as of June 30, 2026.

Leverage Policies

We use leverage for the sole purpose of financing our portfolio and not for the purpose of speculating on changes in interest rates. Our charter and bylaws do not limit the amount of indebtedness we can incur; however, we are subject to and carefully monitor the limits placed on us by our credit providers and those that assign ratings on our company. At June 30, 2026, our debt-to-equity ratio was 0.7 and our only outstanding debt was the construction financing on the Brooklyn Multifamily property.

Debt-to-Equity Ratio

The following table presents our debt-to-equity ratio:

	June 30, 2026	December 31, 2025
Debt to Equity Ratio [1]	0.7	4.1

(1) Represents total debt less cash and net loan proceeds held by servicer (recorded with Other Assets, see "Note 6 — Other Assets" for more information) to total stockholders' equity.

Contractual Obligations, Liquidity, and Capital Resources

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to fund and maintain our assets and operations, repay borrowings, make distributions to our stockholders and other general business needs. We utilize various sources of cash in order to meet our liquidity needs in the next twelve months, which is considered the short-term, and the longer term.

Our current debt obligations consist of $371.5 million of debt related to real estate owned, held for investment. Refer to "Note 5 – Real Estate Owned" of our condensed consolidated financial statements for additional disclosure regarding our debt related to real estate owned. During the three months ended June 30, 2026 all corporate debt and secured debt arrangements were fully repaid using proceeds from the Asset Sale. Refer to "Note 7 – Secured Debt Arrangements, Net", "Note 8 – Senior Secured Term Loans, Net", and "Note 9 – Senior Secured Notes, Net" for additional detail.

Our primary sources of liquidity as of June 30, 2026 were represented with $1.2 billion of cash on hand, and cash flows from operations. Additionally, we held $21.7 million of additional capacity on our construction financing secured by our Brooklyn Multifamily Development property which is available to fund remaining construction costs.

To maintain our qualification as a REIT under the Internal Revenue Code, we must distribute annually at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gain. These distribution requirements limit our ability to retain earnings and replenish or increase capital for operations.

On June 15, 2026, our board of directors determined that our dissolution, the liquidation of our assets and the winding up of our business and affairs are advisable and in our best interests and the best interest of the ARI stockholders. On July 14, 2026, we filed the Special Meeting Proxy with the SEC. The vote on the matters set forth in the Special Meeting Proxy will materially impact our long-term capital needs and our plan to meet those needs.

Dividends

U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of our REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that we pay tax at regular corporate rates to the extent that we annually distribute less than 100% of our net taxable income. Any distributions we make are at the discretion of our board of directors and depend upon, among other things, our actual results of operations. These results and our ability to pay distributions are affected by various factors, including the net interest and other income from our portfolio, our operating expenses and any other expenditures.

On June 15, 2026, our board of directors declared a dividend of $3.75 per share of common stock, payable July 15, 2026 to stockholders of record as of June 30, 2026, a distribution that will be classified predominately as a return of capital rather than as a distribution of current or accumulated earnings and profits. This larger distribution reflects the board's determination, following its review of strategic alternatives, that returning of capital is in the best interests of the Company and our stockholders.

If our stockholders approve the Plan described in our Special Meeting Proxy, any distributions made following such approval are expected to be treated as liquidating distributions for U.S. federal income tax purposes, rather than as ordinary dividends. Liquidating distributions would generally be applied first against and reduce a stockholder's adjusted tax basis in its shares, with any amount in excess of basis treated as gain from the sale or exchange of such shares. Stockholders should refer to the Special Meeting Proxy, and any definitive proxy statement subsequently filed with the SEC, for a more complete description of the proposed Plan and its tax consequences, and should consult their own tax advisors regarding the treatment of any distributions received in connection therewith.

As of June 30, 2026 and December 31, 2025, we had 6,770,393 shares of our Series B-1 Preferred Stock outstanding. The Series B-1 Preferred Stock pay cumulative cash dividends, which are payable quarterly in equal amounts in arrears on the 15th day of each January, April, July and October: at a rate of 7.25% per annum of the $25.00 per share liquidation preference. On July 15, 2026, we redeemed the shares at a redemption price of $25.00, plus the accrued unpaid dividends of $3.1 million.

The following table details our dividend activity:

	Three Months Ended June 30,		Six Months Ended June 30,	
Dividends declared per share of:	2026	2025	2026	2025
Common Stock	$ 3.75	$ 0.25	$ 4.00	$ 0.50
Series B-1 Preferred Stock	$ 0.45	$ 0.45	$ 0.90	$ 0.90

Repurchases of Equity Securities

During the three and six months ended June 30, 2026 we repurchased 8,579,855 and 11,453,999 shares, respectively, of our common stock at a weighted-average price of $10.85 and $10.76 per share, respectively. During the three and six months ended June 30, 2025, there was no common stock repurchase activity. Please refer to "Item 2. Unregistered Sales of Equity Securities and Use of Proceeds" for further detail.

Critical Accounting Policies and Use of Estimates

Our financial statements are prepared in accordance with GAAP, which requires the use of estimates and assumptions that involve the exercise of judgment and use of assumptions as to future uncertainties. The most critical accounting policies involve decisions and assessments that affect our reported assets and liabilities, as well as reported revenues and expenses. We believe that all of the decisions and assessments upon which these financial statements are based are reasonable based upon information currently available to us. The accounting policies and estimates that we consider to be most critical to an investor's understanding of our financial results and condition and require complex management judgment are discussed below.

There have been no material changes to our Critical Accounting Policies described in our most recent Annual Report on Form 10-K under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Use of Estimates."

For a complete listing and description of our significant accounting policies, refer to "Note 2 – Summary of Significant Accounting Policies" to our consolidated financial statements of our most recent Annual Report on Form 10-K.

Real Estate Owned (and Related Debt)

In order to maximize recovery against a defaulted loan, we may assume legal title or physical possession of the underlying collateral through foreclosure or deed-in-lieu of foreclosure. Foreclosed properties are classified as real estate owned and recognized at fair value on our condensed consolidated balance sheets in accordance with the acquisition method under ASC 805. Real estate assets acquired may include land, building, FF&E, and intangible assets. In accordance ASC 820, we may utilize the income, market, or cost approach (or combination thereof) to determine fair value.

When determining the fair value of a real estate asset under the income approach, we make certain assumptions including, but not limited to, consideration of projected operating cash flows, comparable selling prices and projected cash flows from the eventual disposition of the real estate asset based upon our estimate of a capitalization rate and discount rate.

When determining the fair value of real estate assets under the market or sales comparison approach, we compare the property to similar properties in the marketplace. Although we exercise significant judgment to identify similar properties, and may also consult independent third-party valuation experts to assist, our assessment of fair value is subject to uncertainty and sensitive to our selection of comparable properties.

When determining the fair value of real estate assets under the cost approach, we measure fair value as the replacement cost of these assets. This approach also requires significant judgment, and our estimate of replacement cost could vary from actual replacements costs.

At times we may classify real estate assets as held for sale in the period in which they meet the criteria under ASC 360 as discussed in "Note 2 – Summary of Significant Accounting Policies" to our consolidated financial statements of our most recent Annual Report on Form 10-K. Once a real estate asset is classified as held for sale, depreciation is no longer recorded, and the asset is reported at the lower of its carrying value or fair value less cost to sell. The fair value of real estate assets classified as held for sale is determined using the appropriate methodologies noted in the preceding paragraph and the real estate asset's fair value is subject to uncertainty, as the actual sales price of the real estate asset could differ from those assumed in our valuations.

Once real estate assets have been recorded at fair value, they are evaluated for impairment on a quarterly basis. A real estate asset is considered impaired when the sum of estimated future undiscounted cash flows to be generated by the real estate asset over the estimated remaining holding period is less than the carrying value of such real estate asset. An impairment charge is recorded equal to the excess of the carrying value of the real estate asset over the fair value. When determining the fair value of a real estate asset for the purpose of assessing impairment, we make certain assumptions including, but not limited to: consideration of projected operating cash flows, intended holding period of the real estate, comparable selling prices and projected cash flows from the eventual disposition of the real estate based upon our estimate of a capitalization rate and discount rate. While we exercise significant judgment in generating our assumptions, the asset's fair value is subject to uncertainty, as actual operating cash flows and disposition proceeds could differ from those assumed in our valuations. Additionally, the output is sensitive to the assumptions used in calculating any potential impairment.

Please refer to "Note 3 – Fair Value Disclosure" and "Note 5 – Real Estate Owned" for more information regarding real estate owned and our valuation methodology as well as "Note 2 – Summary of Significant Accounting Policies" to our consolidated financial statements of our most recent Annual Report on Form 10-K.

Current Expected Credit Losses

We measure and record potential expected credit losses related to our loan portfolio in accordance with the CECL Standard. The CECL Standard requires an entity to consider historical loss experience, current conditions, and a reasonable and supportable forecast of the macroeconomic environment. We have adopted the WARM method to determine a General CECL Allowance for the majority of loans in our portfolio, applied on a collective basis by assets with similar risk characteristics. If we determine that a borrower or sponsor is experiencing financial difficulty, we will record loan-specific allowances (our Specific CECL Allowance) in accordance with a practical expedient prescribed by the CECL Standard.

On the Closing Date the Company sold its commercial real estate loan portfolio (other than loans that were repaid prior to closing and the Chicago Hotel Loan which repaid after the Closing Date). Accordingly, there were no outstanding loans and no CECL allowance as of June 30, 2026. Refer to "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for further discussion regarding our General CECL Allowance. Refer to "Note 2 – Summary of Significant Accounting Policies" to our consolidated financial statements of our most recent Annual Report on Form 10-K for the complete listing and description of our significant accounting policies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We seek to manage our risks related to the credit quality of our assets, interest rates, liquidity, prepayment speeds, and market value, while, at the same time, seeking to provide an opportunity to stockholders to realize attractive risk-adjusted returns through ownership of our capital stock. While risks are inherent in any business enterprise, we seek to quantify and justify risks in light of available returns and to maintain capital levels consistent with the risks we undertake.

On the Closing Date, the Company sold its commercial real estate loan portfolio (other than loans that were repaid prior to closing and the Chicago Hotel Loan which repaid after the Closing Date). Accordingly, there were no outstanding loans subject to the following identified risk as of June 30, 2026. However, if our stockholders do not approve the Plan described in the Special Meeting Proxy, and if the Company continues to operate in line with its current investment strategy, the Company will continue to undertake the below risks related to the Company's target assets.

Credit Risk

One of our strategic focuses is acquiring assets that we believe to be of high credit quality. We believe this strategy will generally keep our credit losses and financing costs low. However, we are subject to varying degrees of credit risk in connection with our other target assets. We seek to mitigate this risk by seeking to acquire high quality assets, at appropriate prices given anticipated and unanticipated losses, and by deploying a value-driven approach to underwriting and diligence, consistent with the Manager's historical investment strategy, with a focus on current cash flows and potential risks to cash flow. The Manager seeks to enhance its due diligence and underwriting efforts by accessing the Manager's knowledge base and industry contacts. Nevertheless, unanticipated credit losses could occur, which could adversely impact our operating results.

Interest Rate Risk

Interest rates are highly sensitive to many factors, including fiscal and monetary policies, and domestic and international economic and political considerations, as well as other factors beyond our control. We are subject to interest rate risk in connection with our target assets and our related financing obligations.

To the extent consistent with maintaining our REIT qualification, we seek to manage risk exposure to protect our portfolio of financial assets against the effects of major interest rate changes. We generally seek to manage this risk by:

- attempting to structure our financing agreements to have a range of different maturities, terms, amortization, and interest rate adjustment periods;
- using hedging instruments and interest rate swaps, when we deem appropriate; and
- to the extent available and appropriate, using securitization financing to better match the maturity of our financing with the duration of our assets.

Prepayment Risk

Prepayment risk is the risk that principal will be repaid at a different rate than anticipated, causing the return on an asset to be less than expected. In certain cases, we adapt to prepayment risk by stating prepayment penalties in loan agreements.

Market Risk

Commercial mortgage assets are subject to volatility and may be affected adversely by a number of factors, including, but not limited to, national, regional and local economic conditions (which may be adversely affected by industry slowdowns and other factors); local real estate conditions; changes or continued weakness in specific industry segments; construction quality, age and design; demographic factors; retroactive changes to building or similar codes; pandemics; natural disasters and other acts of god. In addition, decreases in property values reduce the value of the collateral and the potential proceeds available to a borrower to repay the underlying loans or loans, as the case may be, which could also cause us to suffer losses.

Inflation Risk

Virtually all of our assets and liabilities have been interest rate sensitive in nature. As a result, interest rates and other factors have influenced our performance far more so than does inflation. Changes in interest rates do not necessarily correlate with inflation rates or changes in inflation rates. Our financial statements are prepared in accordance with GAAP and distributions are determined by our board of directors consistent with our obligation to distribute to our stockholders at least 90% of our REIT taxable income, excluding net capital gains and determined without regard to the dividends paid deduction, on an annual basis in order to maintain our REIT qualification. In each case, our activities and balance sheets are measured with reference to historical cost and/or fair market value without considering inflation.

Currency Risk

Some of our loans and secured debt arrangements were denominated in a foreign currency and were subject to risks related to fluctuations in currency rates. We sought to mitigate this exposure through foreign currency forward contracts, which matched the net principal and interest of our foreign currency loans and secured debt arrangements.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, based on their evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) required by paragraph (b) of Rule 13a-15 or Rule 15d-15, have concluded that as of the end of the period covered by this report, our disclosure controls and procedures were effective to give reasonable assurances to the timely collection, evaluation and disclosure of information relating to our company that would potentially be subject to disclosure under the Exchange Act, and the rules and regulations promulgated thereunder.

During the period ended June 30, 2026, there was no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within our company to disclose material information otherwise required to be set forth in our periodic reports.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business. Refer to "Note 16 – Commitments and Contingencies" for further detail regarding legal proceedings.

Item 1A. Risk Factors

For information regarding factors that could affect our results of operations, financial condition and liquidity, see the risk factors discussed in "Item 1A. Risk Factors" in our most recent Annual Report on Form 10-K and in "Risk Factors" in the Special Meeting Proxy.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth the Company's repurchases of common stock during the three months ended June 30, 2026 ($ in thousands, except per share data):

Period	Total Number of Shares Purchased[(1)]	Average Price Paid per Share	Total Number of Shares of Common Stock Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
April 1, 2026 - April 30, 2026	3,942,246	$ 10.72	3,942,246	$ 150,000,000
May 1, 2026 - May 31, 2026	4,049,433	10.95	4,049,433	105,649,064
June 1, 2026 - June 30, 2026	588,176	10.99	588,176	99,185,213
Total	8,579,855	$ 10.85	8,579,855	$ 99,185,213

(1) On March 16, 2020, the Company announced that the board of directors approved a stock repurchase program to authorize the Company to repurchase up to an aggregate of $150.0 million of the Company's common stock. On February 9, 2021, the Company's board of directors authorized the Company to repurchase up to an additional $150.0 million of common stock under this repurchase program. On April 27, 2026, our board of directors approved a stock repurchase program for up to an aggregate of $150.0 million of our common stock. The shares of the Company's common stock may be repurchased from time to time in open market transactions, in privately negotiated transactions, pursuant to a trading plan adopted in accordance with Rule 10b5-1 of the Exchange Act, or otherwise, with the size, price and timing of these repurchases depending on legal requirements, prevailing stock prices, market and economic conditions and other factors. The Company is not obligated under the terms of the program to repurchase any shares of the Company's common stock. This repurchase program has no expiration date and may be suspended or terminated by us at any time without prior notice. This $150.0 million program replaced the previous program authorized in March 2020, as amended in February 2021, which was terminated.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Not Applicable.

Item 6. Exhibits and Financial Statement Schedules.

3.1	Articles of Amendment and Restatement of Apollo Commercial Real Estate Finance, Inc., incorporated by reference to Exhibit 3.1 of the Registrant's Form S-11, as amended (Registration No. 333-160533).
3.2	Amended and Restated Bylaws of Apollo Commercial Real Estate Finance, Inc., incorporated by reference to Exhibit 3.2 of the Registrant's Form 10-Q filed on April 29, 2024 (File No.: 001-34452).
3.3	Articles Supplementary designating Apollo Commercial Real Estate Finance, Inc.'s 7.25% Series B-1 Cumulative Redeemable Perpetual Preferred Stock, liquidation preference $25.00 per share, par value $0.01 per share, incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed on July 20, 2021 (File No.: 001-34452).
4.1	Specimen Stock Certificate of Apollo Commercial Real Estate Finance, Inc., incorporated by reference to Exhibit 4.1 of the Registrant's Form S-11, as amended (Registration No. 333-160533).
4.2	Indenture, dated as of March 17, 2014, between the Registrant and Wells Fargo Bank, National Association, as Trustee, incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on March 21, 2014 (File No.: 001-34452).
4.3	Third Supplemental Indenture, dated as of October 5, 2018 between the Registrant and Wells Fargo Bank, National Association, as Trustee (including the form of 5.375% Convertible Senior Note due 2023), incorporated by reference to Exhibit 4.2 of the Registrant's Form 8-K filed on October 5, 2018 (File No.: 001-34452).
4.4	Indenture dated as of June 29, 2021, by and among Apollo Commercial Real Estate Finance, Inc., as issuer, ACREFI Operating, LLC, ARM Operating, LLC and ACREFI Mortgage Lending, LLC, as guarantors, Wells Fargo Bank, National Association, as trustee and notes collateral agent (including the form of Apollo Commercial Real Estate Finance, Inc.'s 4.625% Senior Secured Notes due 2029), incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on July 6, 2021 (File No.: 001-34452).
10.1	Amended and Restated Management Agreement, dated as of April 24, 2026, by and among Apollo Commercial Real Estate Finance, Inc., ACREFI Operating, LLC and ACREFI Management, LLC, incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on April 24, 2026 (File No. 001-34452).
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of 18 U.S.C. Section 1350 as adopted pursuant to the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents
104*	Cover Page formatted as Inline XBRL and contained in Exhibit 101

* **Filed herewith.**

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		Apollo Commercial Real Estate Finance, Inc.
August 10, 2026	By:	/s/ Stuart A. Rothstein Stuart A. Rothstein President and Chief Executive Officer (Principal Executive Officer)
August 10, 2026	By:	/s/ Anastasia Mironova Anastasia Mironova Chief Financial Officer, Treasurer and Secretary (Principal Financial Officer and Principal Accounting Officer)